

NATION'S BUSINESS

NOVEMBER • 1931



UNEMPLOYMENT

The major problem of business today! It is being solved in many communities.

See page 17

TAXES

Many city governments cost too much. Does yours? What can you do about it?

See page 24

COMPETITION

Railroads, soap-makers, food-packers face competition and are working to meet it.

See pages 29 and 37



PUBLISHED BY THE
U. S. CHAMBER OF COMMERCE
MERLE THORPE, Editor



A "WALKIE" for Business Men who Think that Typewriters are "Just Typewriters"

Tomorrow do a little "watchful walking" through your office.
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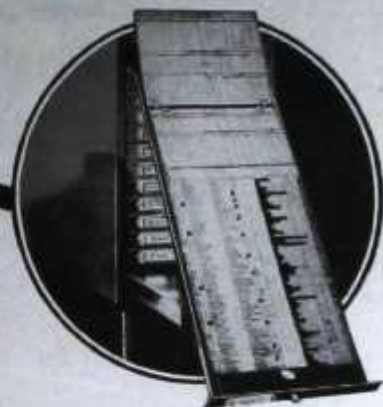
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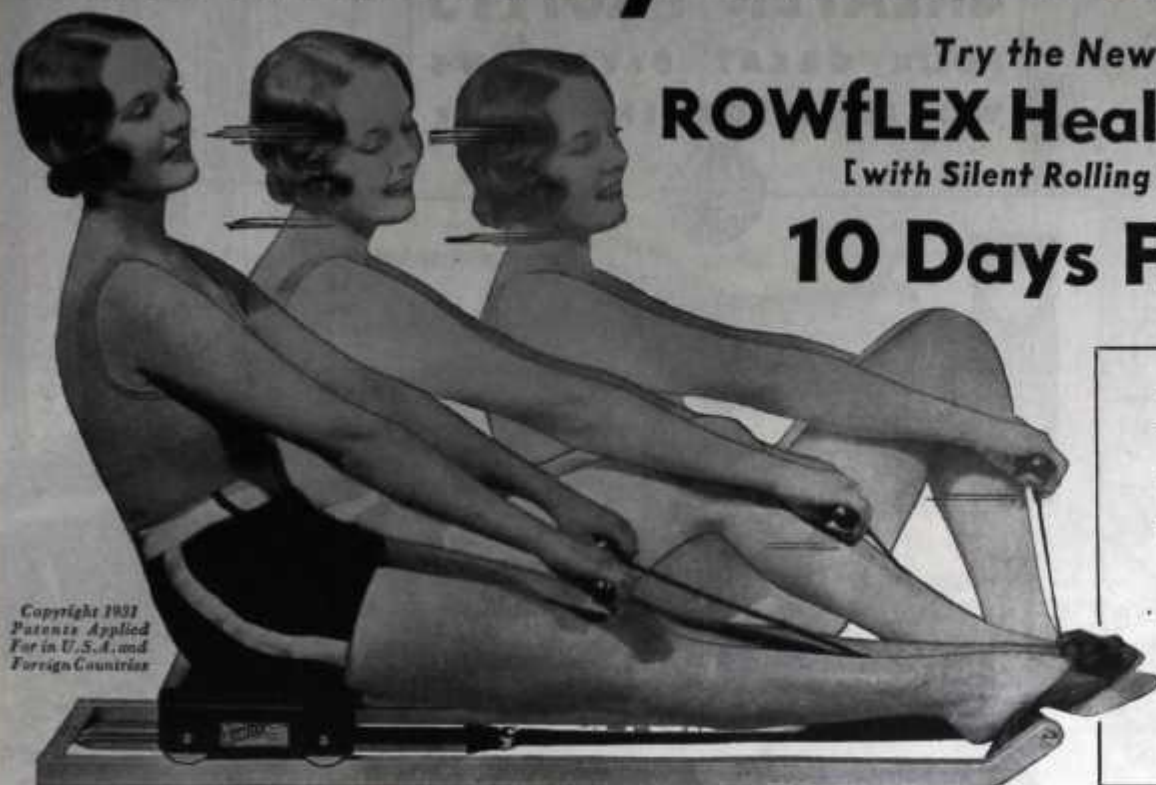
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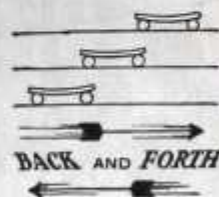
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NATION'S BUSINESS for November

VOLUME 19



NUMBER 11

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**Through the
 EDITOR'S SPECS**

"CHAIN stores are crowding all the little fellows out of business." How many times have similar remarks been passed! In most cases, at least, it is simply another of the irritating little fallacies which should be stepped on. It is not chain stores which drive the inefficient out of business. It is any form of competition which is the result of ability and hard work.

Just the other day W. T. Grant, head of the great chain which bears his name, wrote to call attention to the case of a very successful independent merchant in Waltham, Mass. What pleased Mr. Grant was that an alert, energetic young man had made good on his own, selling fresh fruit, vegetables and green goods, in spite of all sorts of competition.

This merchant began, ten years ago, collecting fruit and vegetables from the countryside and selling them from a wagon which he did not even own. His trade grew because he sold nothing but the best, until he had to open a small retail shop. Soon he bought his own store, and expansion has been steady ever since. Last year he did a business of well over half a million dollars. In a nutshell, he gets the very best to be had, at the greatest possible speed, and prices it at a figure likely to move it quickly. Gradually, as the demand was built up, he increased his lines, until now he operates a rather complete market.

Some of our readers may know this store. It is the Beattie Market, of Waltham. Perhaps the owner could help to scout the theory that chains are the worst enemies of small merchants. And there seems something rather fine about Mr. Grant's action in taking pleasure in the success of a fellow merchant.

Mr. Grant will have an article in an early issue of NATION'S BUSINESS.

♦
 SPEAKING of fallacies, John W. Arrington, president of Union Bleacheries, Greenville, S. C., writes that he

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kind of men who want to become officers of their companies or go into business for themselves. It is not "specialized" training in the usual sense.

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REPRESENTING the condensed experience of the best business brains in the country, the new Modern Business Course and Service is the most comprehensive, tangible help available to executives in meeting the difficult business conditions of today. It is for men who want *immediate* help in their problems—not next year, not next month, but NOW.

Among the business leaders who have contributed to this new training are such prominent executives as: Alfred P. Sloan, Jr., Bruce Barton, Dr. Julius Klein, Hon. Will H. Hays, David Sarnoff.

We invite you to send for the facts in a newly published booklet called "What an Executive

Should Know." It is a book that should be read by every man who expects to win a prominent place for himself in the next few years. It is well worth a half hour of your time.

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Name

Business Address

Business Position

lector. He has the authority of federal laws, state laws, county laws, city laws, corporation laws, by-laws and a host of in-laws that we have put on the statute books. His collection kit includes a merchant's tax, a real-estate tax, a capital-stock tax, an excess-profits tax, an income tax, a property tax, a personal tax, an auto tax, a cigar tax, a gas tax, a water tax, a light tax, an amusement tax, a cigarette tax, a street tax, a dog tax, a surtax—to mention only a few of them.

"His boss, the government, is making it harder for me to get the wherewithal to meet his bills. The government has so governed my business that I hardly know who owns it. I am suspected, expected, inspected, disrespected; examined, reexamined, informed, required, commanded and compelled, until my mind is in a whirl. And all I can see is the Tax Collector demanding more money for every known need, desire and hope of the human race."

THE TAX GATHERER we have had with us always. The earliest historical documents give him prominence. He will probably be a more important figure in the life of this democracy in the next decade than ever before. The trouble is, as we have pointed out repeatedly, that the business man does his complaining after the fact rather than before the fact. Perhaps, while the boisterous minorities are demanding more appropriations, he is so busy at home answering questionnaires and providing food, clothing and shelter for the rest of us, that he hasn't time to organize a minority of his own.

The ways of the Tax Gatherer are devious, but always successful. He cares little about our spending most of our time in trying to shift the burden from one industry, class or locality to another. He will worry when we begin discussing not a shift but a general cut.

JUST NOW we are learning that the gasoline tax, which was swallowed rather gracefully on the ground that it was to be used to maintain the road upon which the gasoline was used, is being diverted from its primary purpose of highway development. In the past five years nearly \$90,000,000 of gasoline taxes have been used to build public auditoriums, to support fish hatcheries, to erect school buildings and sea walls, to eliminate grade crossings and for port expenses.

We are learning that \$96,000,000 of the insurance tax of \$100,000,000, as—
(Continued on page 122)

Here's the Key that will open this door to new net profits



Behind this door is the wealthy and populous New England market—more than eight million people living within a radius of 250 miles from Boston, the distributing center of the territory.



FACTS — New England possesses 8% of total wealth of the United States, with only 2% of the area and 7% of the population—truly a section of concentrated wealth whose people have money to spend and are ready to buy if you are ready to serve.



THE KEY — A good location is the key to any market. In the case of New England, the Boston Wharf Company offers you this key, a location on its property which is situated in one of the most strategic spots in Metropolitan Boston—just beyond the boundary of the business section and ten minutes' walk from the heart of the city. Here is every fundamental facility you may need—miles of spur track, wharf frontage, and paved streets. Furthermore, we are ready to construct new buildings or remodel present ones in accordance with your requirements. Investigate these advantages, without obligation, by sending for our descriptive booklet. Merely clip and mail the attached coupon.

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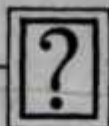
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Adequate financial reserves, suitably invested, are the most effective defense against obsolescence

AMERICAN manufacturers each year scrap millions of dollars worth of machinery that is physically capable of being operated for many additional years.

That is the penalty of progress. A new machine that can do the work at materially less cost than an old one may leave the truly progressive manufacturer little choice—he feels that he must take out the old and put in the new.

The invention and improvement of machinery in some industries has proceeded at so rapid a pace that costly changes must sometimes be made almost overnight. This has made it hard to figure depreciation and the time and cost of replacements. It has caused the factor of obsolescence to loom larger in recent years than ever before.

All this serves to explain the growing tendency among manufacturing organizations to make liberal allowance for the possible and probable mechanical developments of the future. It is one of the reasons for the growing tendency among many such companies to establish real reserves of sound bonds against this and other contingencies in their businesses—carefully choosing their issues to insure the requisite safety and liquidity, as well as a commensurate rate of return.

The opportunity to cooperate with business concerns in the solution of their reserve problems is welcomed by this institution. Any executive or any owner of a business may secure without obligation a copy of our booklet, *Business Reserves*, if he will simply request it on his business stationery.

THE PROGRAM THAT DOES MORE THAN ENTERTAIN • EVERY WEDNESDAY EVENING YOU MAY INCREASE YOUR KNOWLEDGE OF SOUND INVESTMENT BY LISTENING TO THE OLD COUNSELLOR ON THE HALSEY, STUART & CO. PROGRAM • BROADCAST OVER A NATION-WIDE N B C NETWORK. MUSIC BY SYMPHONY ORCHESTRA. • 9 P. M. EASTERN STANDARD TIME • 8 P. M. CENTRAL STANDARD TIME • 7 P. M. MOUNTAIN STANDARD TIME • 6 P. M. PACIFIC STANDARD TIME

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A Measure of Leadership

PRESIDENT Butler of Columbia laments the fact that "midgets are so often found in the seats of the mighty." And Walter Lippmann, spokesman for the liberal viewpoint, writes editorially of the popular hankering for supermen—fabulous giants who could recreate prosperity by merely waving a wand or by going into a deliberative huddle. These commentators are taking thought of political jockeying for place and publicity. Yet it is paradoxically true that politicians have roundly belabored business for not producing a Moses to lead the nation out of this depression.

A good part of this hankering for guidance is brought to the door of business. Business is bad, therefore business leadership is to blame. Churchmen, statesmen, publicists, the law, medicine, educators—all by some strange quirk of autonomous exemption are freed of responsibility for the troubles of the times. The press, the pulpit, the radio, and the neighborhood forum all remind us that the finger pointing comes to a focus at the desk of business.

And business men, hard run with their own perplexing riddles, are too inclined to let the indictment stand. The quiet earnestness of devoted resourcefulness will not satisfy the hecklers. Where tub-thumping oratory and the rumble of political rhetoric readily proffer the heady opiate of emotional measures for relief, the realistic counsel of business must always seem the paler stimulant to national recovery.

One day's grist of news gives the temper of these fault-finding times. Senator Borah said that the rich must feed the jobless this winter. William Green, president of the American Federation of Labor, warned that a "dole" is not to be avoided unless jobs are found for the unemployed. Senator Pat Harrison blamed the Hawley-Smoot tariff for the depression. Governor "Alfalfa Bill" Murray declared the bankers were at fault. Governor Pinchot demanded an extra session of the Congress—not to make work but to pass out Federal relief. And Representative Patman of Texas also wants a special session—not exactly to relieve the needy, it seems, but to "revive purchasing power"—and so on down the line.

As everyone knows—and as the editor of the

New York *Herald-Tribune* takes occasion to remind us—in an ideal world politics and trouble would never be allowed to mix. When a nation fell into a slough all hands would forget their differences and help pull the wagon out. But the fact is, of course, that in this far from perfect world partisanship and trouble are magnetically paired. It is a sorry commentary that there should be any ground for asserting that "the first thing any politician thinks of when times go bad is how he can best turn his country's woes into votes."

The eruption of political maneuvering with regard to the feeding of the hungry reveals the liveliness of demagogic opportunism. Possibly it could be shown that where politicians in all party camps "begin to fight for the credit of being the only authentic Good Samaritans in the world," the spectacle surely has its humorous side. Those who take that position believe that wrath is a misplaced emotion with respect to such petty and oppressive selfishness.

But there is a more effective rejoinder to the implications that business leadership is bankrupt. It was made when President Hoover summoned Walter S. Gifford to the organization and coordination of all the agencies of relief. That a business man should be drafted to head this great work is strange only to those who are visionaries without vision. And for broader accent, the wealth of business leadership is convincingly defined by the roster of Mr. Gifford's aids. Mention of men of the stature of Owen D. Young and Harry A. Wheeler needs no amplification to carry its significance into the public mind.

With so much of good will and seasoned knowledge of the practicalities brought into play, the nation can confidently look forward to the substance as well as the promise of performance. As long as business can so readily provide the quality of leadership to grapple with problems for which it is only partly responsible, it will continue to confound its critics with the largeness of its patriotism and the timely service of its citizenship.

Merie Thorne

POPULAR FALLACIES OF INDUSTRY

(A Nomination for Nation's Business)

"**O**UR first plant was built when this town was just a crossroad. Look at it now! A prosperous, well-known commercial center! Why, men, it was our business that put this town on the map. We can't pull up stakes and leave."

This kind of rationalizing is a common fallacy—one that capitalizes on a noble sentiment—and puts more than one set of books "in the red."

Old markets shift. New ones spring up. Sources of raw material change. Transportation charges eat up profits. And the ideal plant-location of grandfather's day becomes hopelessly off-center.

When a business finds itself face to face with such conditions, it gathers no strength from sugar-pills of sentiment. It needs more drastic treatment. Frequently, the only remedy is RELOCATION—a new plant in the center of today's market.

Austin Engineers have helped many progressive firms adjust their businesses to a redrafted industrial map. With 53 years of engineering experience . . . with 17 offices from Coast to Coast . . . with proven ability in the application of NEW IDEAS to the needs of modern industry . . . Austin Engineers are equipped to help you cope with your individual problems.

In these times no one can afford to overlook possible opportunities. The value of the outside viewpoint

cannot be overestimated. Why not grant Austin a brief interview which may bring you ideas that will have an important bearing on

your business NOW and for years to come. Use the memo below to get "The Return Trip to Profits" a brief discussion of ways and means.



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MERLE THORPE, Editor

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As the Business World Wags

THUS WE MAY SEE, QUOTH HE,
HOW THE WORLD WAGS—*As You Like It.*

Making History



WHEN the economic history of the twentieth century is written it may be necessary to give a special chapter to September, 1931. A month which saw Great Britain move away from the gold standard, with Scandinavia and much of South America at her heels; a month which saw France and Germany enter into an economic alliance deserves a place in history.

And it may well be that the second event will leave a more lasting impression on the world than the desertions from the gold standard. The world would gain confidence if it saw France counseling with Germany on how to better conditions for both countries.

If France could lend her financial strength to Germany's productive capacity, some industries in other countries might find themselves facing more active competition but the net result of such a substitution of an economic alliance for political bickerings would be for the good of the world.

A Move to Aid Credit



SEPTEMBER'S place in economic history may be rivalled by October's for on the seventh of that month President Hoover, having talked with leading bankers, laid before a group of Senators and Representatives of both parties a program to restore confidence on the part of the banker in his ability to continue normal business and "to dispel any conceivable doubt in the mind of those who do business with him."

Mr. Hoover's first proposal is for a national rediscount institution with half billion capital to take care of banking assets which are not eligible for Federal Reserve rediscount. That will probably be in operation before this is printed.

Then Mr. Hoover announced that he was requesting

the Federal Reserve Banks to urge bankers to make advances on the assets of closed banks and to form local committees to further this plan.

The other projects were proposing to Congress to broaden the Federal Reserve Act along lines "already under consideration by the Senate Committee upon Currency and Banking"; to subscribe further capital to the Federal Land Banks, and "if necessity requires" to create a Finance Corporation with assets sufficient for any legitimate call in support of credit.

In other words, Mr. Hoover's program calls on Congress to do only two things, one of which is already under consideration. The third, the Credit Corporation, seems a last resort move to put the government into the banking business if the banks themselves fail to provide adequate relief.

Britain Startles The World



A GOOD bit of drama got into the press accounts of Great Britain's suspension of the gold standard. The tumble of the pound sterling was almost visible and audible. Headlines told tersely of the impact as the shock went 'round the world. "Bank of England Raises Discount rate from 4½ to 6 per cent, "Germans Close Bourses to Avert Panic," "France Fears Financial Blow," "Moscow Thrilled by Britain's Act," "New York Stock Exchange Bans Short Selling."

What it all means and what will result to the world of finance and to national bookkeeping systems will take weeks and months of work and worry by our financial leaders. One of the simplest explanations was contributed by Sir George Paish:

"Great Britain's basic strength was so great," he said, "that she had been trusted with the money of other people. What happened was that we in turn loaned that money out again. Now some of the countries to which we loaned money cannot pay their creditors."

The situation is tantamount to that of a man rich

in stocks and bonds and receivables, but short on cash. A creditor who suddenly demanded the payment of a \$10 debt might find difficulty in getting his money. "Effectively, Britain owes the world about \$750,000,000," to quote Sir George's figures, "while the world owes Britain approximately \$20,000,000,000."

More light is provided by the Cabinet's statement:

"Since the middle of July, funds amounting to more than £200,000,000 (approximately \$1,000,000,000) have been withdrawn from the London market. The withdrawals have been met partly from gold and foreign currency held by the Bank of England, partly from proceeds of a credit of £50,000,000 (approximately \$250,000,000) which shortly matures, secured by the Bank of England from New York and Paris, and partly from French and American credits amounting to £80,000,000 (approximately \$400,000,000) recently obtained by the government."

And further, "during the last few days, withdrawals of foreign balances have accelerated so sharply that His Majesty's Government felt it was bound to take the decision mentioned above."

Economy in Electricity



AN INTERESTING sidelight on the possibilities of a Franco-German economic alliance was the savings that might accrue from linking their facilities for the production of power and light. The sun rises earlier in Germany than it does in France and the peak load is later in the latter country. A trading of current from France to Germany and Germany to France at their hours of greatest use would economize on production facilities. Moreover German water-power plants are more efficient at one time of the year and the French at another.

That is one of the efficiencies our much abused utility companies have brought about under private ownership in this country. When West Virginia coal mines shut up in the late afternoon, the reservoirs of current from which they draw are available for the great cities of the Middle West where lights are being turned on.

Problems of the Pound



THOSE prophets who because of her action on the gold standard would depose Great Britain from all part in world financing and summarily hand the leadership in that field to France or the United States or both may find their prophecies too hasty.

A leadership gained by centuries of careful work is not to be wiped out overnight. Our own bankers have yet much to learn from Great Britain about foreign financing and the mere possession of funds does not furnish the skill and experience for such transactions.

It is hard to conceive, however, of the effect on international business of the departure of Great Britain from the gold standard. All over the world there are business agreements written in terms of the pound at \$4.86 which now must reckon with a pound at \$3.85.

Take two simple instances:

Your tailor has bought British woollens from which

to make your winter suit. Is he to pay for them with the pound at the rate when the sale was first made or at its present rate? Who loses and who wins?

A man working in this country whose mother lives in England bought her a £2 money order the day before the British announcement. When the old lady got it 10 days later how much less did it buy? And who profited or lost in that transaction?

Multiply such homespun instances as these by tens of thousands in numbers and tens of thousands in amounts and one gets a glimpse of the knot that must be untangled.

Taxes and Rompers



THE maternal and paternal tasks of the Department of Agriculture grow no less. Just recently that branch of the United States Government has issued an illustrated leaflet on new and official styles in rompers and several correspondents have written to call our attention to this worthy work.

The architect of the rompers and the author of the leaflet is Miss Clarice Louisba Scott, whose title is Specialist in Clothing of the Division of Textiles and Clothing of the Bureau of Home Economics of the United States Department of Agriculture.

Miss Scott stresses this claim for the superiority of the Government's new romper design:

"It is possible to lay the baby on the open garment without turning the child over."

"But," inquires a perturbed correspondent, "what Division of which Bureau of what Department is going to tell me how to keep my baby from turning himself over?"

"And," queries another, "why does Agriculture and not the Children's Bureau of the Department of Labor concern itself with rompers?" An irreverent bystander suggests that it might be the U. S. Bureau of Efficiency, the Chief Coordinator or the United States Board of Mediation.

And a more serious minded friend asks this: "Are there no designers of children's clothing in private business that the Federal Government must go into the pattern industry?"

A Search for New Taxes



STERN is the mien of the tax gatherer said one of our first text books on economics. And how all seeing his eye, as the briefest experience in business will convincingly demonstrate. Ohio's levy of two cents a packet on cigarettes, effective September 1, is indication of the intensive search for new sources of revenue.

How wide and deep this quest is readily suggested by the levies on the sale of gasoline. The steady increases in the rates mark the nation-wide spread of the contagious legislative formula for easy money. While the consumer ultimately pays sales taxes down to the last cent, the consequences touch the producers and the distributors through the constriction of volume.

Perhaps the only final limitation of taxes is exhaus-

A Twelve-Plank Platform for American Business

By JULIUS H. BARNES

1. Work for American membership in the World Court, as an evidence of international cooperation and good will.
2. Prepare to support a sound program of international finance to follow the short moratorium. Frame that program with regard to the capacity of our debtors to pay, leaving them a margin of savings to rebuild their own capital.
3. Press for effective results from the coming disarmament conference.
4. Stretch and spread employment to the utmost. Adopt the shorter week, according to the special conditions of each industry. Rotate employment, reassure as far as possible against the fear of sudden dismissal, and study all devices that cushion unemployment.
5. Revise the forty-year-old antitrust laws which today destroy small business because they make it unlawful to consult regarding production and distribution. We want more small businesses, not alone more mergers.
6. Frame our tax requirements to spread taxes justly and fairly where they can best be borne without injury. Correct the capital-gains provision which it has been proved suspends a free market on all kinds of property and securities.
7. Give regulated industry like the railroads a fair chance to maintain their earnings and credit. Expedite regulatory decisions with a business-like promptitude.
8. Exercise economy in national expenditures. Give great weight to the advice of those responsible for the conduct of national finance.
9. Reassure the individual American that we shall preserve the tradition of private enterprise, and that Government shall act as an umpire only, to preserve fair play between its people. Terminate the emergency operations in commodities of the Farm Board. Transfer to private operations the government barge lines on western rivers. End the agitation for government operations of Muscle Shoals.
10. Urge the adjustment of the protective tariff, step by step, to represent only the difference in wage scales and living standards of cheaper labor competitors.
11. Use the great reservoir of American sympathy and its genius for organization in caring for cases of individual misfortune. Contact and help by their own neighbors assure the needy of sympathy and understanding relief.
12. Avoid, in any form, donations from the national treasury as charity doles, but maintain employment in justified public works until private industry can reabsorb its full quota.

tion of the ingenuity of the taxing power. If Ohio's new taxation is even moderately successful, the novelty will not long lack for zealous imitation. As the taxpayer knows to his cost, the example of a new tax is all that is needed for comprehensive emulation.

The Platform of Business



THE platform for business printed above was presented by Chairman Barnes of the United States Chamber of Commerce at the annual meeting of the American Electric Railway Association at Atlantic City. The platform is not peculiarly the property of Mr. Barnes. It was a formulation—a crystallization—of many talks with other business leaders.

A virtue of the Barnes platform is that it is an answer to the criticisms directed against business that its policies were vague, its resolutions and proposals were mere reaffirmations of those things in which everyone believed. The platform above is brief, understandable, and followable. Every business man should read it and if he doesn't agree with it, find fault with it.

Another declaration which has the virtue of importance and definiteness is the report of the United States Chamber's Committee on the Continuity of Business issued just as this magazine goes to press.

Its main features—its recommendations as to unemployment funds, its proposal for an economic council, its suggestion that the antitrust laws should be revised—will have been broadcast by the press before this magazine reaches its readers. For those who would refresh their memories, a summary is presented on page 56.

Again, a document which every business man should read and read critically!

For a Director of Distribution



NATION'S BUSINESS pointed out a month or two ago that there was a need always for greater faith in advertising, that the advertiser who did not believe that advertising was an indispensable part of his business program to be stuck to through fair weather and foul might better not advertise.

Lee H. Bristol, vice president of Bristol Myers Company, makers of Sal-Hepatica, Ipana and other toilet and medicinal preparations, and president of the Association of National Advertisers, would go still further. He would do away with sales managers and advertising managers and unite their functions in a Director of Distribution who might have under him an assistant in charge of sales and an assistant in charge of advertising. In other words he'd put distribution on a par in

the business scheme with production and recognize that selling is only one part of the task of getting the goods profitably and speedily to the consumer.

Such a program would bring under one control the men who make sales research as well as the men who make sales, the men who pass on credit and the men who pass on advertising copy and media.

There is much in Mr. Bristol's proposal to commend it to business men. Such a plan would help to bring advertising into a proper perspective.

Good Times for Small Industry



EVIDENCE that there are more small companies than big ones is not so surprising in the general fact as in the statistical showing noted in the September issue of NATION'S BUSINESS. But when it also appears by a compilation of Frazier, Jelke & Company, New York investment bankers, that many of the smaller industrial units have reported larger earnings for the first half of 1931 than for the corresponding period of 1930, their situation suggests that operating efficiency does not take its quality from size.

Whether the small establishment can weather a depression better than a hundred-million-dollar company is debatable, of course. Partisans of the smaller units point to the performance of steel companies. Minor corporations were more successful, they contend, in bringing their costs under control, with higher net

profits as the reward. Larger investments in plant, ore reserves, and transportation take a tremendous toll of interest when operations in the big steel concerns drop to 30 or 35 per cent of capacity, the small company advocates declare. Possibly the argument over relative superiorities is not susceptible to convincing conclusion. If it can avoid raising individual blood pressures, it may serve as a timely reminder of the variegated constituency and texture of our industrial fabric.

What of the Surplus Beef?



WHAT to do about the surpluses that complicate the profitable flow of trade is no problem to the new school of destructionists. Too much cotton? Plough every third row under, is their ready answer. Should their treatment be prescribed for all aspects of the disease, men might as logically come under the ban as commodities.

Somewhat reminiscent of that political pattern is the recommendation credited to Dr. Van B. Hart of the New York State College of Agriculture. Dr. Hart, report has it, believes that dairymen should slaughter one of every seven cows. Determination for this destruction would rest on physical defects and poor milk-giving ability. Action on his proposal, it is estimated, would eliminate about 200,000 cows. By this mass execution the state would rid itself of the poorest seventh of its cows—a eugenic gesture of no small significance.

"Gallery of Popular Fallacies"

BUSINESS MEN have been quick to enlist in the crusade which NATION'S BUSINESS has launched against those popular fallacies which are handicapping business. They agree with us that a critical examination will expose the flimsy materials from which these fallacies are woven—half truths, prejudices, misrepresentations—and that with the clearing away of such fallacies will come a new dignity and stimulus to business, a resurrection of public confidence. For this month's "Gallery of Popular Fallacies" we select the following from the many our readers have nominated:

1. "The Railroads Pay for the Highways Used by Their Competitors."

2. "The Motor Truck Has Taken the Cream of the Railroad Business."

PYKE JOHNSON,
National Automobile Chamber of Commerce,
Washington, D. C.

3. "I Am Not Responsible for the Government."

4. "Stock Exchanges Are Gambling Joints."

WALTON L. CROCKER, *President*,
John Hancock Mutual Life Ins. Co.,
Boston, Mass.

5. "People Don't Open an Envelope Bearing a One-Cent Stamp."

I. M. GANS,
Gans Service,
Chicago, Ill.

6. "When the Customer Loses the Stock Broker Profits."

M. C. JUELL,
4733 11th Avenue South,
Minneapolis, Minn.

7. "There's No Friendship in Business."

JOHN W. ARRINGTON, *President*,
Union Bleachery,
Greenville, S. C.

8. "The Consumer Pays More for Advertised Goods."

W. ARTHUR COLE, *Vice President*,
Dortance, Sullivan & Co.,
New York, N. Y.

9. "It's No Use Trying to Reform Municipal Governments."

WILLIAM PFAFF,
Searcy & Pfaff, Ltd.,
New Orleans, La.

10. "We Could Carry on Without the Railways."

11. "The Railroads Work Under a Guarantee."

CARL R. GRAY, *President*,
Union Pacific System,
Chicago, Ill.

12. "Everybody Lets Part of the Bill Run Over."

W. S. McLUCAS, *Chairman*,
Commerce Trust Company,
Kansas City, Mo.

NOMINATIONS are still in order. We want you to write us about the special misconceptions that afflict your business. Fallacies from our "Gallery" are discussed in our own pages and, through the courtesy of the National Broadcasting Company, over a nation-wide radio hook-up at 7:45 p.m. (E.S.T.) every Thursday.

MERLE THORPE

Our Cities Arm To War on Unemployment

By Ralph Bradford

Assistant Manager, Commercial Organization Dept., Chamber of Commerce of the United States

WHEN WATER is coming over the levee those who live below it don't waste much time figuring out problems in hydraulics. They grab sacks and shovels and go to work.

Several hundred American communities found themselves confronted with a comparable crisis last winter in unemployment. They had got through the first winter of the depression without too much—or too apparent—hardship; but by the fall of 1930 they were faced with reality.

The world had taken a hand in the matter. Ignorance of some ancient economic fundamentals, lack of regard for what people could actually buy and use and pay for, absence of long-time industrial planning, overselling, overextension of credit, overstimulation of sales beyond normal absorptive capacity—all these current economic follies were superimposed upon the basic abnormality that came out of the war; with the result that the times were definitely out of joint. As we went into the winter of 1930-31 there was the devil to pay and the pitch was only mildly heated, to say the most for it.

Here and there, it is true, communities had been looking ahead. A few chambers of commerce had made community planning for employment and business stabilization a major item in their program. Rochester and Cincinnati had begun to point the way. Industry, too, in some instances was planning definitely and scientifically.

But so far as emergency organization for relief was concerned, most cities started from "scratch." There were no specialists on depressions! Consequently, some efforts to meet the situation



COMMUNITIES all over this broad country of ours are preparing to renew the struggle with unemployment this winter which they began last. More than 400 communities are entering this struggle with plans made, campaigns definitely mapped out. Services of all good citizens must be enlisted if these plans are to succeed. If you haven't already enrolled against the common enemy, volunteer now at your local relief headquarters, take your place on the firing line

succeeded; others failed. Things were "tried out." Plans that worked well in one community were sometimes not so successful in another. There was a certain amount of lost motion and futility. By and large, however, it is a tribute to our talent for organization that there was no more waste effort and so much accomplishment.

Expedients for relief

EFFORTS were largely extemporaneous—expedients hopefully essayed to relieve a present condition, rather than basic planning against future economic disturbances; but as such they were effective, and relieved much acute distress.

Unemployment and its consequences were probably never as serious as aggregate figures made them sound. The situation was bad enough, in all conscience—tragic in its human and social implications. But what Pittsburgh or Dallas or San Francisco had to be primarily concerned with was not the total number out of work in the whole country, but the approximate number of unemployed those cities themselves would have to deal with. Relief work was distinctly and acutely a local problem!

Just what the situation will be this winter nobody is attempting to say, beyond the obvious prediction that the condition of last winter will at least be reenacted, and that relief measures will need to be duplicated if not increased. Communities everywhere, through chambers of commerce or other agencies, have been taking stock of their situation, making plans and setting up organizations against the winter's need.

It is our purpose here to note briefly what has been done by such organizations, not—Heaven forbid!—with the idea of offering a Plan, but in order to identify certain methods and activities which were useful last year and may be useful again.

The work of community relief has fallen under two general heads—providing jobs and providing supplies and shelter. The first is preventive, the second remedial.

Providing employment embraces two types of effort. The first is directed toward creating employment through needed work which brings an economic return to the employer or the community. The second consists of supplying employment in place of direct charity—work upon projects that may be useful but are not essential. This is the

so-called "made-work" program. In organizing for emergency employment the main effort last winter was directed toward advancing and speeding up needed public and private construction. Perhaps a courthouse or new city hall was in prospect for 1932 or later. Possibly a bridge or a highway or a street improvement was contemplated. Where it seemed economically justifiable, construction of this kind was pushed to the limit.

Rushing construction work

COMMITTEES were appointed to confer with city and county officials; state relief organizations were formed to contact state officials; officials themselves, both state and local, were often active in pushing construction; mayors, city managers, and county engineers took short cuts to get work under way; city treasuries were searched for idle funds that might be applied to new construction or increased maintenance work; legislative bodies moved more rapidly;—with the net result that buildings, streets, parks, highways, water systems and public property generally were modernized, repaired, cleaned up, built new and otherwise treated so as to offer employment to an amount of labor which was very large.

For instance, in Muskegon, Mich., a school building to cost \$400,000 was scheduled for 1932. The local employment committee ascertained that a minimum of 10 per cent, or \$40,000, in construction costs could be saved if the building were erected immediately. As a result, purchase of site was authorized, plans prepared, and a job which provided work for 100 men was speeded on its way.

In Ventura, Calif., sharp curtailment of oil production suddenly cut the number of men employed in that industry from 2,700 to 1,000. The local chamber of commerce proposed a number of projects for consummation in the ensuing year. These included a paving program, a recreational harbor development, a state beach park and a water-conservation project. The public and municipal government approved, and work on all these projects is under way, the road project and the recreational harbor work to be staggered to meet the situation this winter.

Such programs were not everywhere carried out. Factors of public finance and psychology had to be taken into account. In some places the economic unsoundness of speeding up public construction outweighed all other considerations, and other measures for relief

had to be provided. Every effort was made, of course, to keep industry going; and where industries were on part time, arrangements were made to stagger hours and shifts so as to divide up available employment. There was also some effort at an exchange of labor, and an arrangement of peak and valley periods so that, so far as possible, one plant might accommodate the lay-offs of another.

There were also widespread efforts to provide work by encouraging modernization and repair. People were asked to clean up and paint up, to put down sidewalks, to repair roofs and gutters and fences. That sounds small, but a great deal of work was furnished by such means.

In many places relief organizations asked people through the press to list small repair jobs and agree to have them done only when the organization sent somebody for the purpose. In others, citizens were personally solicited to provide and list such odd-jobs by representatives of the relief agency.

In Des Moines, Iowa, a list of 4,500 prosperous citizens was prepared. These names were divided among workers, each of whom was furnished a "selling talk" which brought out the need for work and urged the "prospect" to list some small job.

In Fort Worth, Tex., representatives of the painters' union, with the approval of the relief committee, made a house-to-house study of the city, noting premises that needed painting and reporting these to the paint dealers' association. Members of the latter then worked through their contracting connections to make sales. One contractor reported 20 jobs which he sold as a result—which meant that men were kept employed in addition to other benefits.

Snow-shoveling gives jobs

BUFFALO developed the now famous "Man-a-Block Plan." Residential blocks were organized under "captains" who were in turn responsible to district "majors" or other officers. Each block captain organized 30 householders to pay 50 cents a week each for ten weeks to employ a man to shovel snow in that block, whether the snowfall was light or heavy. Thus in each such block one man was guaranteed ten weeks' work at \$15 a week, with the privilege of doing other odd jobs in his particular block. Last year 750 men who were heads of families or who had dependents were so employed. This year Buffalo will extend the time to 15 weeks, and expects to be able to take care of no

less than 2,500 men! In addition, of course, Buffalo has the other usual forms of relief.

In the foregoing we have been considering types of work from which employers, in addition to providing work, derived a definite economic return. This is usually the first type of work that relief organizations seek to promote, because it can be afforded with the least additional contribution to economic disbalance. But after everything possible has been done in these directions, there exists the problem of providing for those who, despite such preventive efforts, have been unable to obtain work and who as a consequence are on the verge of destitution.

Trying to avoid charity

SUCH provision is made through the customary channels where necessary, but in many instances it is regarded as the job of the relief organization. The appearance of charity is avoided as much as possible. A man who has never had to seek aid before must not be made to feel that he is an object of charity if it can be avoided. He is what might be called an economic casualty, and he should be given relief in the form of work rather than a charitable handout. There are questions of self-respect and pride and there are social imponderables involved here which cannot be balanced against purely economic standards. It is better to provide work at some economic loss than to pauperize and embitter human spirits through a mistakenly direct administration of charity. Hence the "made-work" program enters the scheme.

This consists of providing work in lieu of direct charity for the needy unemployed, work on public and semipublic projects, such as parks, streets, roadways, buildings, hospitals, welfare homes and the like. For these jobs funds are supplied in some instances by both private and public agencies, in others solely by one or the other. Employment through programs of this character is noncompetitive and remedial. It usually is something useful and desirable, but is often not essential or warranted from a strictly economic viewpoint.

For instance, in Marion County, Indiana, of which Indianapolis is the seat, many men were employed in cutting brush and grading shoulders along highways. Part of the made-work program of Wilmington, Del., consisted in painting with a luminous white paint the poles, road abutments, culvert headings, and other traffic hazards on 175 miles of surrounding highways. In Rochester,

N. Y., unsightly objects were removed from roadsides and a number of buildings which had been partly burned and whose charred timbers were eyesores, were razed. Such work, while accomplishing desirable results, would not likely be done under normal conditions. It was devised in the interests of morale.

Petersburg, Va., developed a plan under which firms and individuals who would agree to furnish a certain amount of employment were placed on a "Roll of Honor." If a householder had no employment to offer he was permitted to make an equivalent contribution to a work fund; and from this fund men were paid to work at hospitals, in parks or elsewhere. In such arrangements, while the public derives some return from the labor so expended, the primary thought should not be to *compel* the applicant to earn the relief given him, but to *enable* him to do so—thus preventing wounds to his pride that might in future years distort his whole relationship to the social scheme.

Of course, the reference here is to the self-respecting, ordinarily employed man who is an "economic casualty." In the

case of vagrants or habitual "bums" such employment is often offered as a work test—and rightly so. It then becomes a factor whereby the good faith of the applicant is determined.

Early in the fall of 1930 a careful analysis revealed the necessity in Rochester, N. Y., of mobilizing all resources of the community to meet the situation foreseen during the approaching winter. Upon recommendation of the civic committee on unemployment, the city council adopted a work-relief program to the end that direct relief expenditures might be reduced, and that the municipality might at the same time receive some benefit from the money spent. They said, in effect:

Value for their relief

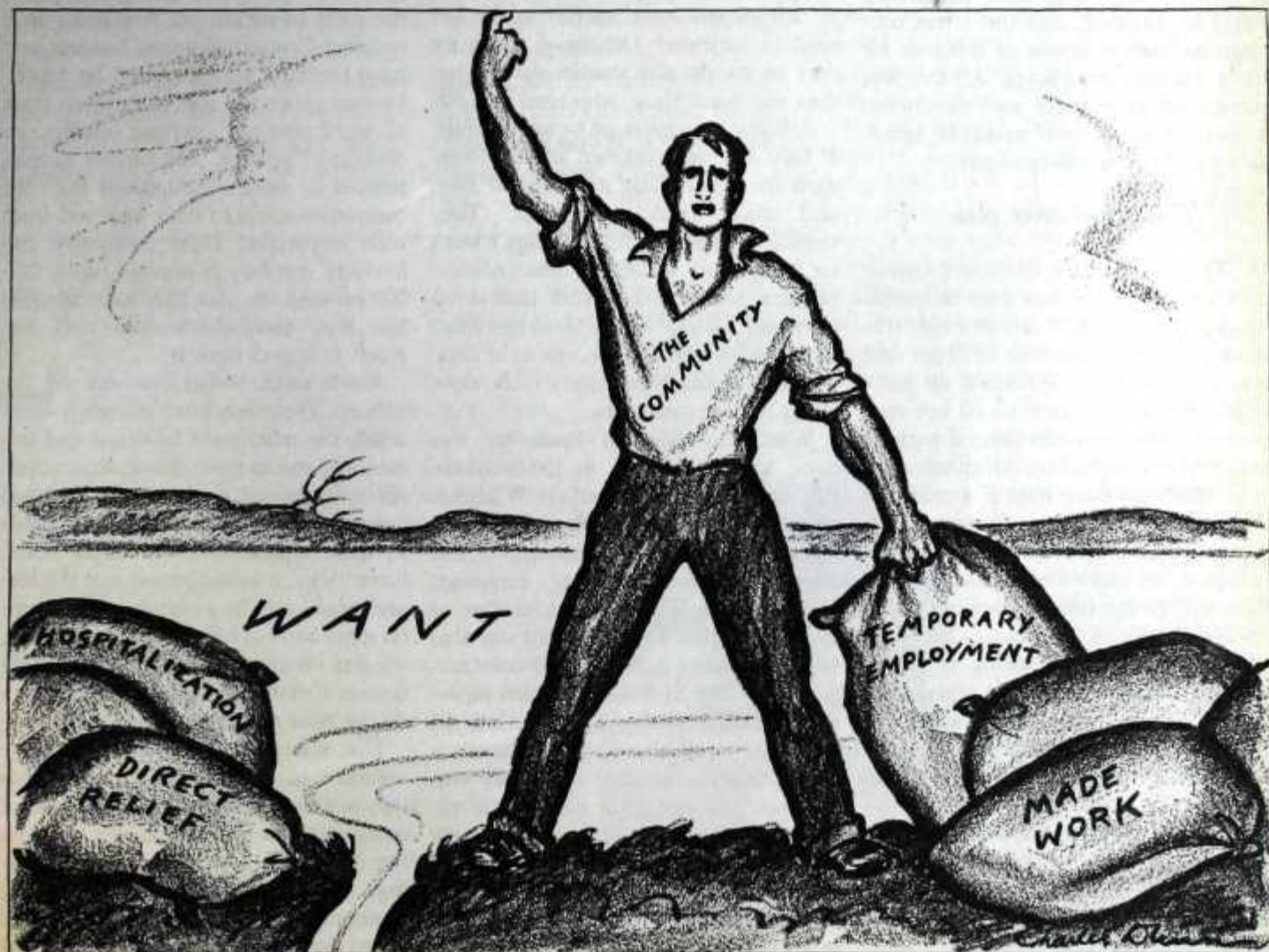
"INSTEAD of taking all relief money out of our private pockets and expending it in the form of charity, let's take some of it out of the public funds and get some result, at least, in public works."

Rochester made a total appropriation of \$800,000. A bureau of department

heads was made responsible for developing and supervising the work projects, and for selecting and placing unemployed men on such projects. Out of some 12,000 applicants, work was given in varying amounts to 7,917 different men. Up to June 1 of this year 77 distinct projects had been undertaken.

Here are some of those projects: Razing thirteen beach houses and salvaging materials; dismantling and removing an unused heating plant at the Municipal Hospital; 2,610 man-days on repairs at 20 different school buildings; acid cleaning and polishing various statues; grading and seeding tracts of municipal land; removing traffic hazards; cutting underbrush.

Approximately two-thirds of the jobs were given to men who were not receiving relief from any agency, in the hope that the small but steady income from this source might help them "get by" without having to apply for charitable help. The remaining third was allotted to the several agencies for family relief, to be assigned by them either as a part of their case-work treatment, or as work tests. Wages were established at the pre-



When water is coming over the levee those who live below it do not waste much time figuring out problems in hydraulics. They grab sacks and shovels and go to work plugging the break

vailing rate for the type of work done, whether skilled or unskilled, common labor or trade. At the start, unskilled laborers were given four days on and four off, averaging about three days a week at eight hours a day. Skilled workers averaged one day in eight, making their pay about on a level with that of the unskilled workers.

On the whole, aside from relief given, the economic returns were greater than was anticipated. It was found that the city received approximately a 52 per cent return for its expenditures. On its face that seems low; but had the work relief not been provided it is estimated that home-relief expenditures would have been greatly in excess of the amount represented by the theoretical 48 per cent economic "loss."

Obviously in this or any such program there would be lack of efficiency for several reasons. There was no chance for detailed advance planning of each project, little opportunity for mass buying of materials, and lack of centralized control. Further, much of the work, such as grading and construction in winter, was unseasonable; frequent shifts made it unlikely that individual proficiency could be attained; and there was considerable lack of fitness of the men for the work they were doing. All this was recognized in advance and discounted as part of the price it would be necessary for the community to pay.

The Rochester plan

IN THE light of the Rochester experience for 1930-31, it has been estimated by close observers that any city may reasonably expect 70 per cent to 75 per cent return from money expended on work relief. The 25 per cent to 30 per cent economic loss thus experienced may be regarded as a sort of service charge, and is probably no more than it would cost to administer the same amount of direct relief. The Rochester committee has drawn up an outline of a plan they believe will go far toward obtaining such results. Briefly, it follows:

1. A committee consisting of public officials, business men, and representatives of local charity agencies and labor should be created and charged with full responsibility for planning, coordinating and selecting men.

2. The committee should appoint a work director, who will have charge of the application bureau, conduct of the work projects, and coordination of both bureau and projects.

3. The application bureau should be manned by trained case workers, and should be operated separate and apart

from any existing employment agency, on the ground that men must be selected primarily on the basis of need.

Planning by city officials

4. WORK supervisors and foremen should be drafted from city departments. They should be brought together periodically to be made acquainted with the objectives of the work, and to obtain uniformity in supervision.

5. Work projects should be organized and planned by a coordinating committee of city department heads with the chief executive officer of the city as chairman. Detailed planning should be done as far in advance of the project execution as possible, and such planning should be carried out minutely.

6. Legal and financial obstacles should be removed far in advance of beginning of work, and with as little publicity as possible. If too much publicity is given to projects the application bureau may be so crowded that it cannot do effective work in selecting the most urgent cases.

7. Work should not be started on a large scale, but should be released gradually and on the recommendations of public officials and social welfare workers as need is indicated. Otherwise the work may be merely a dramatic gesture that does not reach those who need it most.

8. Work projects must be worth while. If they are not, workmen are apt to regard the whole thing as a sort of joke, and much harm may result. They should be expected to give a day's work for a day's pay within the limits of their physical ability. Made-work that is too obviously *merely* "made" is of less value than work which really needs to be done by the city but is not likely to be done under normal conditions.

What was done in Rochester was done, with variations, in Indianapolis, Chicago, Milwaukee, Buffalo, Wilmington and scores of other places.

Through careful organization, followed by an advertising campaign waged by the Wilmington Chamber of Commerce, that Delaware city was able to put forward a \$3,400,000 construction program, \$800,000 of which represented public works. This was all directly the result of activity by the city's organization to provide emergency employment. Wilmington, too, had a variation of the honor-roll plan. All persons or firms that provided one or more jobs were placed on an "honor list," which was published daily. Twenty-seven different kinds of work were provided in this manner.

In addition to major public and private construction work advanced, the

organization obtained pledges including 60 single dwellings, 26 garages, three filling stations and a number of remodeling and modernizing jobs on dwellings and business property.

An emergency activity that seems likely to continue in many communities as a permanent stimulant to business is the local campaign for reconditioning, modernizing and repair of business houses and dwellings. It is believed that this effort on a continuing basis will have a stabilizing influence on both employment and business.

Permanent plans for employees

HERE and there organizations are striving after permanent provisions. The Chamber of Commerce at Rochester, for example, has announced through its Industrial Management Council an Unemployment Benefit Plan that is being widely studied. Fourteen manufacturers of that city have signed an agreement to create a reserve fund out of their earnings, to be used in providing unemployment benefits in future cases of necessity. The companies are to bear the entire cost of the plan, but reserve the right to declare an emergency in a prolonged period of unemployment and have the fund supplemented by contributions of one per cent of earnings from all employees not receiving benefits, including all officials, and further supplemented by extra contributions from the companies equal to those received from such employees. These companies collectively employ, in normal times, 26,000 persons, the plan they have adopted has been carefully worked out, and much is hoped from it.

Work relief is but one side of the picture. There are, after all, many cases where the relief must be direct and immediate, and in most cities preparations for this type of work have gone hand in hand with the other. So far as possible in these cities, cases for direct relief, home relief, hospitalization and the like are turned over to existing agencies upon some basis of allocation agreed upon, the general committees acting as clearing houses. Usually these general committees do not raise money in their own names.

For the most part they help the regular agencies determine how much they will need, and then assist in general campaigns for funds. Money required for direct relief is raised by subscription, or appropriated from existing funds, or provided by bond issues. When raised by subscription the methods in vogue locally are followed.

In many places "One Per Cent
(Continued on page 118)

Lighting New York Tomorrow

By HERBERT COREY

ILLUSTRATIONS BY E. B. WINSLOW

One Article I'm Glad I Never Wrote

FOR MANY years I threatened to write a sarcastic piece entitled, "Now, We'll Look Through the Factory."

The desire was prompted by the enthusiasm of business men to exhibit their plants on every occasion. You know what I mean: After you finish your call, the owner leaps up with a strange gleam in his eye, seizes you by the arm and drags you over miles and miles of floor-space filled with machinery, to the accompaniment of ear-splitting noises, the while shouting loudly something about this having been installed in 1898 and the production per minute had been increased to—the rest lost in the raucous clang of said machines.

I am glad the article was never written. For I have come to appreciate the rich enthusiasms back of the pride the manufacturer has in the development of his work. Without these enthusiasms American business would be a flabby thing indeed, scarcely worthy of chronicling. Then the idea grew, and we sent Herbert Corey to describe and interpret some of these business enthusiasms.

Readers will remember he visited a great watch factory in Lancaster, Pennsylvania, and again, a soap factory in Cincinnati. Later he visited a plant where electricity for light and power is made, and he sets down here the enthusiasms he found.—THE EDITOR

New York Edison Company and its affiliated companies is full of other excitements. An engineer lives with unspoken, almost unrecognized, never quite obliterated thrills. Engines should not blow up, fly-wheels should not explode, but both do. Sloan began as an engineer. It is simply not possible that an engineer could degenerate into any sort of tame cat. I never heard of one who did.

The New York Edison Company is the largest locally operated utility company in the world. With its four affiliated companies, it has 35,000 employees, and each man is on the firing line all the time. Sloan keeps him there. The companies have 2,500,000 customers. Each is a valued asset and a cherished friend and a little pot of high explosive. If trouble once starts between a customer and the Company no one can ever tell where it will end.

LET US BEGIN with a nightmare. Suppose that New York City were to go dark some night—and stay dark.

Of course this is nonsense. Nightmares are never reducible to the dimensions of common sense. What happened to Mt. Pelee and the Czar is just as ridiculous as the legends about the Lost Continent of Atlantis. Such things do not happen. Electric light does not fail in New York City. But just suppose for a moment that it should fail. . . .

Imagine a night of darkness

THINK of the groaning men and weeping women climbing interminable stairs in the dark. Of taxicabs feeling their way through black streets. Of the shuffling, hysterical millions on the pavements. Imagine the shrill whistles of the police as they banded for protection against looters oozing up from the squalid shacks along the river side. Attune your inner ears to the crash of plate glass and the sharp crackle of revolver fire.

To darken New York City, if only over a single night, might be one of the world's major catastrophes.

It never will be darkened, of course. But the thought of such a terror is one of the reasons why Matt Sloan loves his job.

Another reason is that the post of president of the

Therefore the 35,000 give out their life forces freely for the 2,500,000. The meters which measure the sold current are accurate within one-one thousandth of one per cent. That is more accurate than the average fine watch.



Mr. Sloan sees the romance of the new day in terms of his job

The 2,500,000 customers are only today's supply, of course. Twenty years ago Bat Masterson said that New York looked like an unfinished mining camp and it is more like it today. More of everything is being built and will continue to be built. There is and will be no end of the building. Whenever a new tower replaces a dingy little brick hundreds of new customers sprout for Matthew Scott Sloan. More are coming each year. Each finds new ways in which to use the thing Sloan sells.

"Just think of London

Towers," said he. We thought of London Towers. One of the overpowering, enormous houses of the new New York.

"Full of my customers," said Matt Sloan.

He was as delighted with the new gadgets in the new buildings as though he had invented them. His customers were not merely buyers to him. He saw the drama of their release from the toil that claimed so much of the living time of other generations. He told of the young married folk and the not-so-young married folk that live in these great structures.

"The wives can live their own lives if they wish. Have their own incomes. Be a part of the great city. They could not do that before we put electricity to work for the wife. Then she stayed at home and cooked."

In these huge blocks live the pretty girl secretaries who manage to look like two million dollars and the young men who belong to good clubs and press their own pants until their ships come in. There are one-room apartments which open out like one of Houdini's tricks and are equipped with electrical things that do everything but turn down the covers of the in-a-wall beds.

"Electrical cookers in which a five-dish dinner has been cooked to perfection when the girl comes home. Sunlight to keep the young husband tanned and healthy while he works at midnight on the formula that is to make him famous. Beautifying things that send her out in the morning glowing and bright-eyed."

Few refrigerators come back

CONSIDER electric refrigerators. Since May of 1930 his companies have sold more than sixteen million dollars' worth of refrigerators on time payments. Sloan says there is plenty of money in this country if the buyer is offered what he wants. Not many refrigerators have been turned back because of failures to keep up the payments and each failure had its origin in a domestic difficulty.

"One girl fell out with her stepfather," he laughed. "She refused to go on paying out money to keep him in fresh ice."

That is Matt Sloan. Not much of him, maybe, but a little. He sees the romance of the new day in terms of his job. The old New York of O. Henry, with its staring little electric bulbs, its brass beds and its leisurely horse cars has ceased to exist.

Matt Sloan sees the infinitely more romantic city of today and its glittering pinnacles and its thronged and rushing streets and rasping subterranean tubes packed with men and women, and the majesty and dominion of the avenues where are the men who watch the world's flowing gold.

"The producing of electricity is not our greatest problem. It is the distribution. Look—"

He begins to draw lines on a pad. An engineer's trick, no doubt. A curve, a jag, a dip and you have the picture.

"It is hard for us to find room under the city for our conduits," he said. "We dig deeper and go around and cross over—"

His moles burrow through the muck of an ancient swamp that is now crowned with steel and brick. They run their lines 40 feet under ground, along the bank of an old water course where little Indian boys once fished with shell hooks. They are bothered by the bursting out of springs at which pretty Dutch girls once drank.

They swing around the deep-laid roots of high towers and place a flaming protection around the vaults in which gold lies by the wagonload and bore for blocks that one little man on a mean street may read his evening tabloid by their electric lights.

"It may cost us \$1,000 to serve that little man on that little street. But we serve him. Later on other customers will come in on the line, but we do not wait for them."

He illuminated with a flashing sentence the problem of distribution. Governor Gifford Pinchot of Pennsylvania once observed that electricity was produced at the Conowingo



Think of taxicabs feeling their way through black streets, of hysterical millions on darkened pavements. Imagine shrill whistles of the police, crash of plate glass, crackle of revolvers

Dam at a cost of three-quarters of a cent per kilowatt. In Philadelphia it cost seven cents a kilowatt:

"Send a man with a bucket to the Conowingo Dam," said Sloan. "They'll sell him all he can carry away for three-quarters of a cent."

He will promote anything that will sell more current. He has a staff of specialists who are forever finding new things to promote. New ways to keep the dynamos purring. It happens that at one moment each day the six power plants of this group which supply New York City with more than two million horsepower of electricity are down to ten per cent of the maximum capacity. For 18 or 20 hours of each day a part of the plant is idle. That is not economical operation. Any one can see that. But as yet no way has been found to straighten out the hills and valleys on the load chart.

To flatten out the load peak

"WAYS are being found, though. There is no limit to this business."

Architects are experimenting with windowless houses. The occupants will enjoy fresh washed air, cooled or heated as desired, artificial sunlight, freedom from noises of the street. But windowless houses would only add to the load curve, for they would be silent and asleep during those hours when all the world is silent and asleep. Some other means must be found. One of these days it may be possible to take a little box from the mantel, slip it in the car and go for a day's run at a small cost. That day has not come. Storage tanks are being planned in which the electric current that is not being used and which is available after midnight shall heat the water for 24 hours' use. Scores of plans are being made to keep millions of dollars' worth of machinery turning over during that part of the day in which it is silent now. Not many of them are practical as yet. But the plans will be found.

"There are no limits in this business."

Sloan would not trade his job for any other.

If he had to start all over again he would start just where he did before.

The reason appeared when I quoted a professor who recently fought his way back to the first page. The easy way to get on the first page is to say something which gives our national goat a run-around. The more patriots who say they are going to stop the paper the more famous the professor. When the women's clubs begin to adopt resolutions he is made happy. The professor said that the business brain of today is in a state of atrophy and decay. No thinking is needed in business any more, he said. Business is as uninteresting as slicing cold boiled ham in a machine. In the future really first-rate brains will keep out of business and it will be turned over to the office boy and a few mice.

"Brains are not needed to make money," said the professor.

Matt Sloan said that is nonsense.

"Men do not go into business for the money they make out of it but because of a desire for accomplishment."

Because they want to do things. The dividends are incidental.

He was not being toploftical toward dollars. Profit dollars are one of the visible proofs of success, and maintenance and expansion dollars must be had by the millions. One of the reasons why these electric companies are selling electricity to 2,500,000 customers is that they are making money. If they lost money and there appeared to be no prospect ahead



There will be no end to building in New York. Whenever a new tower rises, new customers sprout for Matt Sloan

of doing anything else but lose money they would in the end go out of business no matter how desperately New York City cried for more current. If they did not make money today Sloan would start a jacking-up drive that would be on a par for dating purposes with the Year of the Big Wind. He wants to make money, is making money, is proud of it and hopes to make more. But the big kick in his job is in doing it. He believes it is the most interesting job in the world.

That's what Matt Sloan thinks. That is why I am writing this article. He gave me a glimpse of the power and the glory and I am trying to pass it on.

Authority and confidence

MATTHEW SCOTT SLOAN was 20 when he graduated from Alabama Polytechnic in 1901. He looked then much as he does now, probably. Something like a friendly cavalry officer who plays a good deal of golf. Association with Northerners has rubbed away most of his Southern accent. There is that crisp authority in his voice which is to be expected in the voice of a man who directs 35,000, but there is something more. Something more, even, than friend-

(Continued on page 114)

We Pay too Much for City

By Lawrence Sullivan

CHART-PICTURES BY D'ARCY

THAT great practical economist, Wilkins Micawber, put it all briefly when he said to David Copperfield:

"Annual income 20 pounds, annual expenditure 19 six, result happiness. Annual income 20 pounds, annual expenditure 20 pounds, ought and six, result misery."

The cities of the United States might well heed Mr. Micawber's warning. If they aren't spending "20 pounds, ought and six" out of a 20 pound income they are close to that point.

Here are a few figures:

There were 146 cities, each with a population of 30,000 or more, in this country in 1903. Their total population was about 20,772,000. In 1928 the same cities had a population of about 37,624,000.

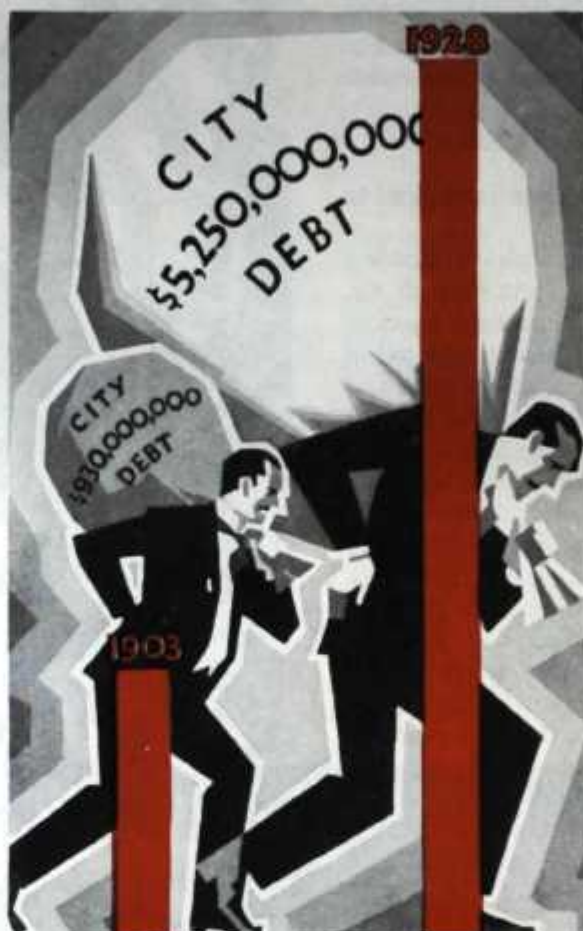
In 1903 these cities collected for governmental purposes by methods other than bond issues—chiefly, of course, by the general property tax—\$21.14 for each man, woman and child. In 1928 the *per capita* tax collection figure had become \$72.11.

In short, in a period when population didn't quite double, the *per capita* tax burden went up three and one-half times.

Those figures are from the Bureau of the Census. Later figures, now being compiled by the Finance Department of the United States Chamber of Commerce, show that the trend of taxes to increase faster than population still continues.

Nor is this the only way in which the burden of taxation has grown. The interest on city debts must be paid out of taxation. A certain amount of the debt must be paid each year out of taxation, or by new borrowings and added interest charges.

The 146 cities whose records are before us have borrowed and borrowed steadily. They had a net indebtedness of 930 million dollars in



The net indebtedness of 146 cities in 1903 was \$930,000,000. In 1928 it was \$5,250,000,000

EDITORIALLY and through a series of advertisements in the Saturday Evening Post and Collier's, NATION'S BUSINESS is helping to dispel misconceptions which hamper business. One advertisement discussed the fallacy that there's no price tag on government projects and municipal services. Mr. Sullivan shows how such services have increased, that they are not free and are often extravagant, and how some cities are curbing the wastes

1903. That had risen to \$5,250,000,000 in 1928. That increase of debt, however, is more fairly told when it is put in terms of population, because growth justifies debt increases. However, the increase in borrowing doesn't look much better when it is reckoned in terms of the individual. The *per capita* net debt has increased from \$44.71 in 1903 to \$139.63 in 1928, a multiplication by three in a period when population increased only 85 per cent.

Recently the Bureau of the Census gave out other figures showing how taxes climb.

These figures show receipts and expenditures for 1929 of the 250 cities of 30,000 or more population. The figures also compare *per capita* receipts for 1929, 1928, and 1917. In those three years the *per capita* revenues other than from bond issues were:

1929	\$69.39
1928	71.68
1917	32.04

One welcome figure stands out—the drop in *per capita* taxation from '28 to '29.

Debt figures for the 250 were less cheering. They were, *per capita*:

1929	\$138.32
1928	134.16
1917	77.78

Cities are perhaps being driven to borrow to lessen criticism of a growing tax rate.

The division of the expenditure of these 250 cities does not vary greatly between 1928 and 1929:

	1928		1929
Amount	Per Cent	Amount	Per Cent
General operations			
\$1,853,323,000	54.6	\$1,935,876,000	56.4
Improvements			
1,036,635,000	10.5	967,065,000	28.2
Interest			
342,100,000	10.1	363,490,000	10.6
*Public Service			
164,155,000	4.8	168,657,000	4.9
*Operation and maintenance of water works, light plants, markets, etc.			

Government



ONE of the most fertile—and neglected—fields for retrenchment in these days of enforced economy is that of city government. There costs are mounting to an intolerable figure. We've got to guide our spendthrift cities to wiser and smaller expenditures

It is, however, when we break down the largest item, general operations, that we find some great diversity in the spending habits of our 250 most important cities. For these figures it is necessary to take 1928 figures. Here is the average for the 250:

Per Cent of Operations Budget	
Schools	37.1
Police	10.4
Administrative	8.6
Highways	8.5
Fire	7.7
Sanitation	7.6
Charities	6.4
Miscellaneous	5
Recreation	3.4
Health	2.4
Other Protection	1.6
Libraries	1.3

It is plainly unfair to compare cities and brand one as efficient because it spends less on its police than another, or to fix a *per capita* sum for education which a city should or should not spend.

It is easy to think of two cities of 50,000, one largely populated by foreign-born workers with low incomes, the other tributary to a great city and with a far higher income level. The former, with smaller resources to draw on, might be obliged to spend more on its police. The latter, with perhaps less need for expenditures for police, might find itself able to spend much more for education.

Here are some striking instances of variations:

St. Louis spent 17.7 per cent of her 1928 budget on police; Cincinnati, only six per cent. Milwaukee spent 6.3 on recreation and Cleveland 1.6 per cent. Brookline, Mass., spent 27.6 per cent on schools and San José, Calif., 65.9 per cent. In the same year, New Orleans spent \$9.06 *per capita* on schools and Boston, \$19.19. Minneapolis spent \$2.13 *per capita* on health and Kansas City 65 cents.



Per capita tax collection in our 146 cities was \$21.14 in 1903. By 1928 it had climbed to \$72.11

Nor is there any established relationship between city expenditures and wealth. New Orleans, with a *per capita* wealth of \$994 spent \$26.87 *per capita* on municipal government in 1928; but Louisville, with \$1,202 wealth spent \$24.77 and Indianapolis, with \$1,243, spent \$34. Boston and San Francisco reported the same *per capita* wealth, \$2,221, but Boston spent \$57.42 *per capita* and San Francisco only \$39.50 on municipal government.

While the average *per capita* revenue collections by our 250 municipalities in 1928 were \$71.64, there were, of course, many cities which ran considerably higher than that. Here are the 1928 revenue collections for the 12 ranking high-cost cities:

City Per Capita Revenue Collections	
St. Petersburg, Fla.	\$168.65
Pasadena, Calif.	140.72
Los Angeles	138.53
Atlantic City	125.97
Seattle	125.10
Detroit	109.33
Highland Park, Mich.	102.99
Boston	101.74
Lansing, Mich.	91.63
Newark, N. J.	91.54
New York City	90.86
Colorado Springs	90.43

To balance these high-cost centers there were an equal number of cities at the other end of the list, those where *per capita* revenues collections were considerably below the national average. The 12 low-cost cities, according to rank, were:

City Per Capita Collections	
Kokomo, Ind.	\$25.96
El Paso, Tex.	26.39
Norristown, Pa.	26.89
Montgomery, Ala.	27.11
Lewiston, Me.	29.52
Little Rock, Ark.	29.65
Hazleton, Pa.	30.05
York, Pa.	30.07
Covington, Ky.	30.77
Columbia, S. C.	32.32
Lancaster, Pa.	32.76
Peoria, Ill.	32.93

It would appear from these tables that, on the whole, the smaller cities operate at a lower cost *per capita* than the larger. But even this rule does not hold save in the broadest application. Of the 12 ranking cities in point of high *per capita* revenues in 1928, only four—New York, Detroit, Los Angeles and Boston—rank in the first 12 cities in point of population. The *per capita* revenue collections of Colorado Springs, which ranks two hundred and forty-fifth in population, were only a few cents less than those of New York City. And Lansing, Mich., which ranks one hundred and fifteenth in population, collected nine cents more *per capita* in 1928 than Newark, N. J., which ranks eighteenth. Similarly, Seattle, twentieth in population, collected greater *per capita* revenues than Detroit, the fourth city, or Boston, the eighth.

As with cities, so it has been with states. Combining accounts from all

states, the Census Bureau reports that collections of state revenues increased from \$4.66 *per capita* in 1915 to \$16.29 in 1928. And the combined indebtedness of the states increased from \$3.75 *per capita* in 1915 to \$13.39 *per capita* in 1929—from \$386,516,000 in 1915 to \$1,584,565,000 at the beginning of 1929.

Meanwhile, expenditures of the Federal Government have increased from \$11.22 *per capita* in 1915 to \$36.20 for the fiscal year 1931.

With these figures in mind, it is not difficult to appreciate the profound wisdom of the admonition uttered by Alexander Hamilton in his celebrated Report on Revenues to the First Congress:

"As the vicissitudes of nations begat a perpetual tendency to the accumulation of debt, there ought to be in every government a perpetual, anxious and increasing effort to reduce that which at any time exists, as fast as shall be practicable consistently with integrity and good faith."

Taxes: \$115 per year

SUMMARIZING the governmental-cost increases during the last 25 years, we come to the average tax bill for the resident of a city of 30,000 or more. He contributes, directly or indirectly, more than \$70 to city government, \$16 to state and \$36 to the federal establishment, a total of \$124 a year. Incidentally there are county taxes to be added. Part of this tax bill is cancelled out by federal aid to states and state aid to cities and counties but a figure of \$115 *per capita* is probably not far from the actual tax bill today.

The total cost of government in the United States has been computed in round numbers at 14 billion dollars a year. Compare this amount with some of the principal items in the national income. The gross farm value of all agricultural production in the United States in 1929, crops and live stock, is reported by the Department of Agriculture as \$11,900,000,000. Or we may translate the tax bill in terms of industry. In 1929 the total salaries and wages paid to 10,178,000 officers and employees in 210,700 manufacturing establishments reporting to the Census Bureau were only \$15,200,000,000.

This figure of 14 billion dollars includes, of course, the expenditures from special assessments and various bonds floated every year by our 250,000 local spending bodies. Thus, the total governmental expenditures today represents close to 17 per cent of the national income as of 1928. The falling off of national income since 1928, in the face of

a continued upward tendency in public expenditures, has increased this percentage.

Students have said that no community ever has been able to maintain itself in a stable condition for long once it began spending as much as 20 per cent of the community income for government. These figures measure the urgency of the tax problem presented in the United States today.

Thus, an acute aspect of the whole problem at the moment is the fact that the tax burden is never a flexible charge on business. With the exception of corporate income taxes, the amount is the same in times of recession as in active years. That is one reason why the burden of taxes bears doubly heavy on business, industry and agriculture today. Moreover, the new doctrine of expanding public works in slack years tends to increase rather than to diminish, tax assessments in difficult times.

Many business men have seen their profits reduced by 25 per cent or more during the last two years. By careful management and planning, some have been able to trim the corners to meet the situation. Yet the tax bill does not come down in proportion.

Taxes have injured business

IN MANY instances managers have been forced arbitrarily to reduce pay rolls to meet taxes. Thousands of retailers found in the year's tax bill the whole difference between profit and loss in 1930. During the last two years, commerce, industry and agriculture have been in a period of deflation, but on the whole the cost of local government has not been deflated. On the contrary, questionnaires sent to about 100 ranking cities in June, 1931, indicated in the aggregate a general continuation of the tendency toward increased municipal expenditures.

True, some cities have reduced budgets by one or two per cent under 1928, but there are also those which show an increase of as much as eight per cent in 1931 as compared with 1928. Similarly, all of the 37 state legislatures which met this year approved a larger budget for the next fiscal year.

In a recent treatise on municipal development, Lent D. Upson, director of the Detroit Bureau of Government Research, drives home with great force the story of practically every American city during the last half-century.

When Detroit, then in Michigan territory, elected its first mayor in 1824, there were established but 23 municipal activities. Twenty-five years later there

were 41 activities. And after another 50 years of progress, that is, in 1900, there were 130 functions. But by 1930 there were 306 distinct fields of activity. Thus, in the 75 years preceding 1900, only 107 new activities were added to the municipal structure; while in the next 30 years, 176 new functions were added.

More costly services

FREE school luncheons, for example, were instituted in 1900, and nurseries in the parks the next year. In 1903, an aquarium and a conservatory were established. In 1907, city forestry began; in 1908, public-health nursing and school nursing; in 1909, free evening lectures; in 1911, inspection of signs. The next five years brought inspection of maternity hospitals, prenatal nurses, social-hygiene nurses, the Children's Museum, and, in 1919, a City Market News Service. An employment bureau was set up in 1920, and, in 1924, special assessments were authorized for shade trees. Alley numbering began in 1928. Open-air swimming pools were established in 1929. And, in 1930, came a new municipal hangar.

"Obviously," runs Dr. Upson's conclusion, "there is not tax money enough to pay for every service that the public wants or that administrators would like to supply. At some point, as yet undetermined, the diversion of private resources to public purposes must stop. Then, if government is to be other than a hit-or-miss affair, that money extracted by taxation must be intelligently distributed. . . ."

Attacking the problem of loose management in public finance with vigor and determination, citizens' organizations in every section of the country have realized encouraging advances and reforms during the last five years. Through such organizations, the taxpayers' protest against the increasing burden of local taxation is at last becoming articulate.

It has been estimated that, for the country as a whole, about 60 per cent of the citizen's total tax bill is determined locally, that is, within the city or county where he lives. In some instances the locally determinable taxes run as high as 70 or 80 per cent. That is why local bodies have achieved best results in efforts to establish sound systems of fiscal control in public affairs. In many cases such work has been accomplished under the leadership of the local chamber of commerce. In Chattanooga, Indianapolis, Kansas City, Kans., Greenwich, Conn., Massillon, Ohio and New Albany and Ft. Wayne,

Ind., notable results have been achieved along the line of businesslike fiscal administration under the leadership of the local chambers. These are but a few of the more than 600 communities whose commercial and trade organizations already have come to grips with the pressing problem of local taxation.

Another approach to the local problem is illustrated by the experience of the Buffalo Municipal Research Bureau, which several years ago achieved adoption of a scientific city budget and audit control system.

A strictly nonpartisan organization from the outset, it began, in June, 1927, by focusing the attention of voters upon the accounting methods of the City Hall. One of its most compelling publications was a detailed study of Buffalo's expenditures during the previous 20 years. In the period under survey, population had increased 38 per cent, but municipal expenditures had increased 370 per cent.

Through pamphlets touching various problems, the Bureau still focuses attention from time to time upon specific weaknesses of municipal administration. It has enlisted more than 200 community organizations actively in the cause of efficient local government. Similar organizations have done effective work in Detroit, Cleveland, Baltimore, Des Moines, Los Angeles, and a score of other cities.

Few satisfactory budgets

PRESSURE for modernization of public-accounting systems has been increasing steadily for 20 years and, during the last decade, the movement has gained headway at an accelerated pace. But competent students estimate that today less than one-fifth of our municipal expenditures are under efficient systems of budget or audit control and that less than a dozen states administer their finances in a businesslike manner. The National Institute of Public Administration examined 37 state budgets presented in the legislatures in 1931. Only eight were satisfactory from an accounting standpoint. Tens of millions in appropriations were authorized under such nebulous legal designations as "general administrative expenses," or "legislative expenses and incidentals."

Three years ago an auditing firm was called in by a civic association to examine the books of a municipality which then had an annual budget of 30 million dollars. The final report of the auditor set forth among other things, these facts: One Ford coupe, and one Essex coach had been charged to "street cleaning." Another coupe had been charged

to "cleaning sewers," and still another to "water-front lands." A Cadillac sedan had been charged to "machinery and tools—parks," and a Chrysler touring car, to "forestry—parks." Altogether 13 new automobiles had been added to the municipal equipment in the course of the year.

"It is not contended that the purchase price of these cars was an improper charge against the several uses," the auditor reported, "but merely that the budget did not clearly propose the purchase of these cars as a part of the program of the year, and that, after the purchases were made, the accounts did not clearly disclose the facts. The same criticism applies to many other purchases of equipment of various descriptions."

This audit also revealed that in the various city departments there were "about 250 separate accounts relating to such expenditures as postage, telegraph, telephone, printing, advertising and office supplies." Because these items were so variously combined in the different departmental records the auditors found it "impossible to determine without laborious analysis" how much the city actually spent annually for any one account.

"Viewed from this standpoint, the effort and expense of accounting for these items is wasted, and intelligent budget construction and criticism are impossible."

Substantial progress toward sound

budgeting is reported by many city, state and county governments, but even the progress of the last five years gives little ground for hope that prudent fiscal management will become the general rule before mounting expenditures overwhelm tax resources. In many cities and states not even a beginning has been made in the direction of sound fiscal administration.

Counties are expensive luxuries

ONE of the most wasteful items of local government today, most students agree, is the county organization which in many cases functions alongside the elaborate city machinery. Savings have been realized by county-city consolidation in a number of cities. But in other great centers the archaic county unit still is maintained. Within the corporate limits of Chicago 114 local administrative units are functioning for city, county, state, park boards, sanitary districts and village or township boards.

Good results of a county consolidation are found in Tennessee, where, the State Tax Commission recently reported, county government costs 19 times more than state administration. A plan under consideration there contemplates the reduction of counties from 95 to 50. New York and North Carolina also have been giving this method studious consideration during the last

(Continued on page 112)



Detroit, in 1824, set up 23 municipal activities. By 1849 the number had mounted to 41, by 1900 to 130, and by 1930 to 306

No Business Can Escape Change

A NEW type of high-intensity, incandescent lamp eliminates three-fourths of the heat usually given off, with negligible loss of light. . . .

ANOTHER new lamp, filamentless, is said to be 600 times more efficient than ordinary lamps in consumption of electrical energy. Estimates put possible saving in the national lighting bill at 50 million dollars yearly. . . .

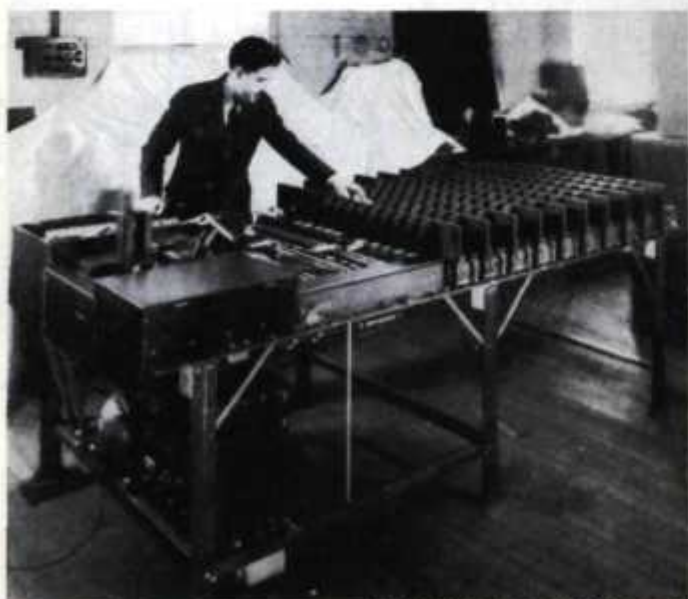
FILAMENTLESS and inexpensive vacuum tubes are now being made for radios, promising to reduce their cost. . . .

A PHONOGRAPH record has been developed on which an entire symphony may be recorded and which plays for 15 minutes. . . .

A MUSICIAN has patented a violin bow strung with a synthetic fiber, more durable, less expensive than horsehair. . . .

A NEW type of insulation, utilizing aluminum foil, is being developed here following successes abroad. It's said to be fire and vermin proof, resistant to industrial fumes and vapors, and light in weight. . . .

SPECIALLY designed cinder concrete tiles, bound by reinforced concrete, are used in a new type of soundproof,



COURTESY WESTINGHOUSE ELECTRIC AND MFG. CO.

Now comes a machine that sorts tickets, checks, bills or other records at high speed, automatically placing them in any of 100 classifications

★ ONE of the ways out of depression lies in the offering of new or improved goods and services which are based on sound conceptions of public wants and needs. He who can stir new desires, or better serve existing needs, will always have his positive reward in profits

fireproof floor. Wood floor, plaster ceiling can be directly applied. . . .

A RECENTLY patented steel nail permits attaching wood flooring and sleepers directly to battled steel floors, heretofore usually surfaced with cork or tile. . . .

RESISTANCE to high temperature, strength, high insulating properties are claimed for a new insulating firebrick. It needs no firebrick shell when used in furnaces. . . .

A NEW device locks windows shut or part-way open, prevents further opening, but allows closing of windows from outside. . . .

TODAY'S schoolboys may do sums on new metal blackboards, made by fusing vitreous porcelain enamel on iron, then deglazing the enamel. . . .

SOYBEAN oil is being tried as a substitute for linseed oil in paint, with apparently satisfactory results. . . .

A NEW kind of "sausage" is being made of kippered salmon and sablefish, encased in cellulose. . . .

A NEW automatic counter and controller signals completion of any predetermined count, throws a switch to stop a machine or to perform other necessary operations, and repeats the cycle indefinitely. . . .

A NEW poison, called retenone, fatal to insects, harmless to humans and warm-blooded animals, has been discovered. . . .

—PAUL H. HAYWARD

EDITOR'S NOTE—Material for this department is gathered from industrial and scientific publications, announcements from individual industries, bulletins from research institutions and from personal interviews. Further information upon any of the subjects mentioned will be furnished readers upon request.

The Railroads Go Air-Minded

By LAWRENCE G. KING

THE conclusions Mr. King draws in this article are based on data gathered in a study of airway operation for railroad purposes. He predicts an important change in the transportation picture of the near future

THE American people are going to fly. Each year they do so in constantly increasing numbers.

For several years to come they will fly as they do today, in transport planes, for the rather obvious reason that the so-called "fool-proof airplane" is as yet some years in the future. Until we have accomplished more toward eliminating the "fool motorist" it is too early to anticipate the general use of private aircraft. It is, therefore, reasonable to expect that for the next decade commercial planes will carry the great majority of air travelers.

In 1930 the commercial airways flew more than three million miles a month, yet the airplane today is not an important factor in the diversion of either passenger or express traffic from the railroads. Unless all signs fail it will not become one because the railroads will not allow it to do so.

A large part of the loss of railway revenue is traceable to the competition of the commercial motor vehicle which the railroads permitted to become firmly entrenched in the transportation system before taking any counter action. With that fresh in their minds, railroad executives are taking a lively and friendly interest in the potentialities of the airplane.

Backed by decades of experience in operations, traffic and rates, the railroads are carefully studying the commercial airways which have been in operation long enough to prove conclusively that air transportation has many advantages and also certain distinct handicaps. Except in rough weather, no other vehicle offers the speed and comfort of the first-class airplane, particularly in the very cold and extremely hot seasons. Neither of these advantages enables the plane to compete successfully with the railroads which operate regardless of weather on a regularity of schedule that is one of man's notable achievements. Bad weather and fog are still the undefeated foes of aircraft. Years may pass before they are conquered. However, should it become mechanically possible tomorrow to fly passenger planes through



COURTESY CURTIS-WRIGHT FLYING SERVICE

For several years people will do most of their flying in big transport planes

all weathers, few travelers of this generation would avail themselves of the opportunity because of a wholesome inborn respect for the forces of nature. Incidentally the physical discomfort of flying through rough weather is enough to deter many who otherwise prefer air travel.

So long as weather causes the cancellation of some six per cent of scheduled flights and either delays or threatens to cancel another five per cent, the general public will favor the railroad with its lower speed but certainty of schedule.

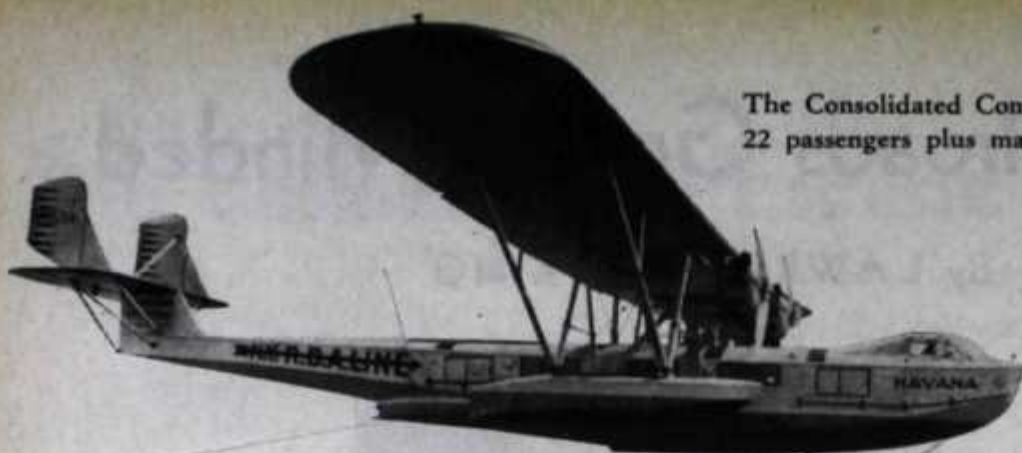
Until recently railway men rarely mentioned the airplane in connection with their own operations, but now they regard it as a vehicle whose possibilities they cannot afford to over-

look. This awakening of interest is due mainly to three causes which have been developing simultaneously. They are the remarkable progress in aeronautical engineering; a changing governmental attitude toward mail subsidies; and the realization that, under railroad management, air travel can be made self-sustaining and profitable.

Airplane efficiency has increased

PERHAPS the most potent factor in attracting the favorable attention of railway executives was the development of more efficient transport planes in the past year. Since the stock market crash of 1929 the all around efficiency of transport planes has been increased fully 25 per cent. Translated into practical terms this improvement means that the actual flying cost, which includes all items incidental to flying such as fuel, pilots' pay, depreciation and insurance, has been reduced by 25 cents on each dollar.

This remarkable improvement in airplane efficiency may be said to be the direct result of the market crash. Though the aeronautical industry suffered from the consequent depression, the real art of flying continued to advance, and, possibly, was actually accelerated. The wild orgy of promotion that had seized aviation was brought to a sudden halt,



The Consolidated Commodore carries 22 passengers plus mail and baggage

and likewise the scramble of manufacturers getting into quantity production of planes that were technically obsolete was stopped. The industry was brought to a sharp realization that more economical aircraft must be produced. Engineering skill, released from problems of production and working under the pressure of uncontrollable circumstance, found time to experiment and modernize the airplane.

Redesigning increased lift and reduced air resistance thereby increasing both speed and performance. Better metals and alloys gave greater strength with less weight and depreciation. Motors and instruments were refined and improved. Noise and vibration, so fatiguing on long flights, were reduced and cabins made more comfortable and luxurious by better heating and ventilating methods. The result of all this is the 1931 trimotor transport plane which will carry a crew of two, 14 passengers with hand baggage and 600 pounds of express or mail, 717 miles from New York to Chicago in six hours flying time at a flying cost of slightly less than 35 cents a mile, or two and one-half cents per passenger mile. Whatever is received from the 600 pound cargo reduces the cost per passenger by exactly one-fourteenth of that amount. In 1929 it cost one of the best mail operators \$0.3567 a mile to fly single motored mail planes.

Federal aid is helping aviation

METALLURGY and science promise still greater advances in the future. A new alloy now in the laboratory stages combines the strength and most of the other qualities of steel with a lightness almost equal to aluminum. In commercial production this alloy would increase the efficiency of the most modern plane by another 25 per cent at least.

The great system of commercial airways over which scheduled planes flew almost 37 million miles in 1930 was made possible by federal aid in the form of mail contracts, erection and maintenance of visual and radio beacons, weather service and military contracts. The latter were indirect contributions to civil aeronautics since they enabled manufacturers to maintain large production schedules with lower sales prices. The Department of Commerce surveyed and established airways with lights, emergency landing fields, radio beacons and a coordinated weather service for the use of all planes flying the airways. The greatest contribution toward the advancement of civil aviation was the postal contract for the transportation of air mails.

The Department of Commerce is the highest authority on such matters and the following excerpts from its report for 1930 demonstrate the vast amount of flying done, the relative importance of the postal subsidy, and, by analysis, some approximate costs and the reasons for them.



COURTESY CONSOLIDATED AIRCRAFT CORP.

The Commodore's luxurious interior offers all the comforts that American travelers demand

Scheduled (Civil) Airways for 1930

Number of planes in use and in reserve (estimated)	600
Mail carried by contractors, pounds	8,513,675
Miles flown;	
Mail	19,904,185
All operators	36,945,203
Revenue;	
To mail contractors	\$20,015,969.00
Passenger and express	\$ 5,761,151.00
Total	\$25,777,120.00
Express and freight carried, pounds	2,869,255
Passengers carried	417,505
Passenger fare, average per mile	\$0.083

By dividing the \$20,015,969 paid by the Post Office Department by the number of pounds of mail carried, 8,513,675, and by the number of miles flown, 19,904,185, the cost of the air mail for 1930 is found to be \$2.35 per pound and \$1.005 per mile. In 1929 the same costs were \$2.19 and \$1.146 respectively.

Passenger traffic is increasing

THESE postal contracts have built up a system of mail lines between the principal cities. Over these lines passengers may book reservations on mail planes flying an average of one flight nightly and slightly more than one flight daily in each direction. In these days when even governments practice little economies the opinion is growing that the air-mail contract in its present form has almost fulfilled its mission.

Aviation experts and political observers believe that the

Post Office Department will adopt a policy of putting mail on frequent passenger planes instead of encouraging passengers to ride infrequent mail planes. Since the flying cost of modern trimotored equipment is practically the same as the flying cost of the old 1929 mail planes, that is, 35 cents a mile, and the total 1929 cost per mile of mail operation on one of the best managed lines was \$0.8145, it seems that the present cost per mile of passenger operations should not exceed the 1929 mail cost.

It is the stated policy of the Post Office Department to encourage the development of air passenger services which experience has proven can succeed only on the basis of frequent schedules. Therefore, the next logical step for the Department appears to be the change of policy predicted, with a corresponding reduction in the rate per mile as passenger traffic increases to something like one-third or one-fourth of the 1930 rate per mile. Such a probability has a direct bearing on the attitude of railroad men toward air-plane operation.

The policy of fast service on regular schedules at reasonable rates has built up a vast network of railways which are the veins and arteries of the nation. For many years to come they will be. Their executives are expert in reducing cost, developing traffic, and operating efficiently. To them the airplane is suddenly becoming a vehicle of fascinating possibilities.

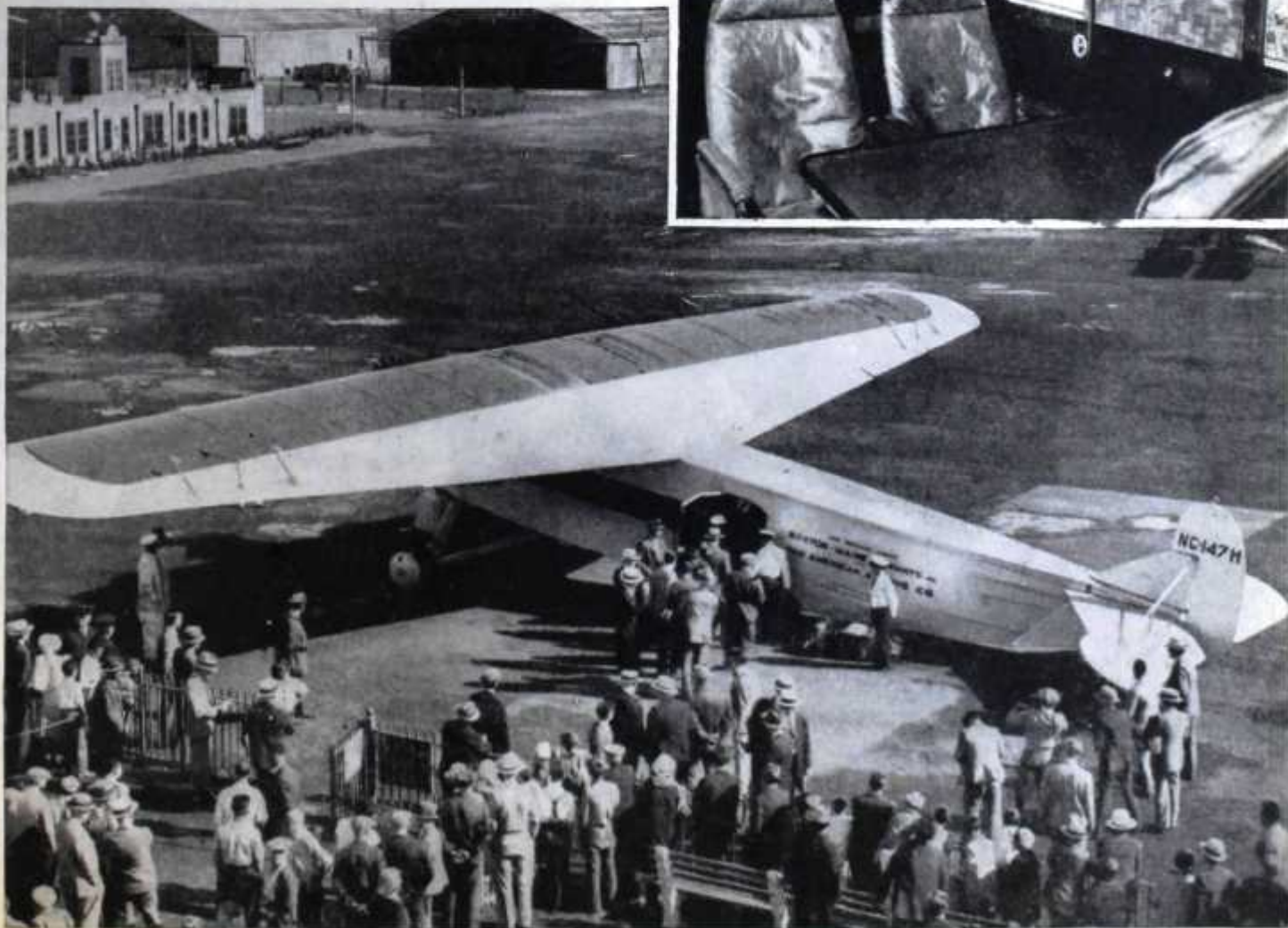
Many of the outstanding railroad men of today believe that, under railroad management, the airplane will be the means of winning back a generous portion of the passenger

and light express traffic lost to the commercial motor vehicle, and that the railroads will be able to operate planes at a lower cost per mile than any airway company.

Railways may help planes

IN ADDITION to the weather, overhead expense and depreciation are the major problems inherent to air transport operations. The weather difficulty can be overcome, they believe, by the simple expedient of hauling passengers by rail when flights are cancelled and by transferring passengers to the next fast train at whichever regular or emergency landing field a flight may be interrupted. Such a plan will enable the public to have the quickest possible transportation between given points, and will eliminate the greatest drawback of commercial flying today, the risk of an incompleting journey.

According to data submitted to the last Congress by a leading air transport company, the three heaviest overhead items are traffic-department costs, administrative charges



COURTESY BOSTON & MAINE RAILROAD

Passengers boarding a plane of the Boston-Maine Airways, Inc., the first air passenger service to be wholly sponsored by a railroad. Above, the new interior of the Curtiss Condor transport

and depreciation. Five cents a mile was the lowest traffic cost given. Others range to more than eight cents. One of the oldest companies showed an administrative cost of slightly more than seven cents a mile and some others exceeded that by considerable margins. Depreciation varies with the type of plane and number of hours of flight each day.

Some airways with sizable traffic departments of their own have as many as 30 per cent of their tickets sold through railroad ticket offices. Railroad authorities believe that, under rail management, at least 80 per cent of the traffic costs can be eliminated by turning that work over to the railroad traffic departments. Practically all of the administrative and executive salaries can be wiped out by distributing their duties among the various rail officials whose present duties are similar, with the exception of the air operations manager who would become an assistant to the operations manager of the railroad. By such methods approximately 11 cents a mile could be eliminated from the total cost of air transport operations.

Planes are on the ground too much

AS FOR depreciation and obsolescence, they are continuing factors affecting everything made by the hand of man. Since a plane earns revenue only when it is flying, these items are chargeable only to actual flying time. Hence it is just as important to keep airplanes in the air as it is to keep cars moving along the rails. One of the country's outstanding aviation experts says that, to begin to yield a profit, the modern airplane must be operated an average of five hours a day and each additional hour reduces the total cost by two to three cents a mile. He adds, "there is no mechanical reason why they cannot be flown 15 hours daily."

Yet railroad men, in glancing over the Department of Commerce report for 1930, find that the airways attained no such average. The average cruising speed of planes in 1930 was about 100 miles an hour. Therefore, some 369,452 hours were required to fly the grand total of 36,945,203 miles that year, or about 616 flying hours for each of the 600 planes in service or reserve on the scheduled airways. Since there are usually 347 flying days in a year each plane flew a daily average of something like 106 minutes. Assuming that there is the highly improbable error of 15 per cent in the Department's estimates, the daily flying time would not then exceed two hours daily per plane. Either obsolescence or depreciation, or both, would be prohibitively high on the commercial operation of such planes without governmental aid.

The experience of the past three years has shown that the nearer air fares approach the rail plus Pullman rate and the more frequent the air schedules, the more passengers ride. Much of the advantage of air travel is lost to the public if there are but one or two planes daily; therefore, there must be frequent schedules in addition to low fares.

Rail executives believe that the airplane is properly a supplement and a complement to train service.

Under one management with its consequent reduction in air operation costs it will be possible to offer a coordinated rail and air service at rail fares. Passenger revenues, plus an increasing income from air express now under careful study, and mails hauled at nominal cost to the Government, will rapidly develop into a profitable addition to the existing rail systems. As better and more efficient planes develop, both operating costs and depreciation charges will decrease further, thereby increasing the margin of profit per mile. In the next few years tens of thousands of passengers will fly where thousands are flying to-day, assuring the advantages of mass transportation at small margins of profit to the railroads.

If the ideas now evolving in the minds of prominent railroad men are put into practice the near future will see a low rate air express service, interchangeable rail and air tickets, hourly service between all large cities, all special delivery mail by air, and, what is more important to the taxpayer, something between 65 and 100 million miles of air mail for the same 20 million dollars that now buys but 20 million miles.



COURTESY AUTOGIRO COMPANY OF AMERICA

The advance in aeronautical design is evident in these photos of the Autogiro of 1928 (below) with today's model

A Plan That Made a State a Team

By H. E. O. WHITMAN

Manager of Research, Arizona Industrial Congress

ARIZONA remembers 1921 as a time when conditions were more serious than they are today. Since 1921, diverse industries there have learned that they have much in common; that they can advance best by helping each other—that is, by taking part in the Arizona Plan

FOR ten years I have been connected with what might be termed an American experiment in "economic planning" of the sort of which we have heard so much of late. As organizations go ours is very small and very simple; its budget is only \$30,000 a year and the state it covers, though fifth largest in the Union, has only 430,000 people. But, so far as we know, it was the first set up for no purpose except to try to coordinate industry and development on a state-wide scale.

Actually it was not started as a "plan" at all, but as an endeavor to do something for ourselves by concerted action. Not until Mr. Hoover, then Secretary of Commerce, was kind enough to term the basic idea "a unique plan that represents a distinct contribution to cooperative effort in solving our economic problems," and business men in other states began to inquire about what we were doing did we begin to think of it as an Arizona Plan.

It was, quite frankly, an Arizona Plan. That is to say, it was of, by and for the producing and commercial interests of Arizona. Yet it has demonstrated, I think, that there is room for a good deal more cohesion than exists in most phases of our national life.

If we seemed unable, as a people, to remember the years 1920 and 1921 as late as 1928 and 1929, we recall them more seriously in 1931. In Arizona we are glad to be able to recall them as a depression worse than this. The aimless agitation that accompanies recessions took, in our case then, a tendency for everybody to blame his own troubles on everybody else.

Among the citizens of Phoenix who had to listen to all the bitterness and wild proposals of 1921 was a consulting mining engineer named P. G. Spilsbury. As happens to consulting engineers in such periods, he had ample time to pon-

der the peculiarities of human nature. So much misunderstanding between different groups, so much talking and working at cross-purposes, appeared woefully unnecessary. He suggested to some local organizations and business men that a state-wide industrial conference be held to consider affairs in general and determine what, if anything, could be done about them.

Leaders worked out problems

THE suggestion met a favorable response. A number of the state's industrial leaders, including such nationally known mining executives as Dr. L. D. Ricketts, Robert E. Tally and the late Gen. John C. Greenway, were consulted, and the proposal was submitted to Secretary of Commerce Hoover, who endorsed it.

So in December, 1921, some 300 leaders from all industries, branches of business, sections and organizations of the state met in a State Industrial Conference in which they told one another their opinions of the world at large and Arizona in particular, precisely where their respective interests stood, and why, and what could or could not be reasonably attempted.

These diverse interests found they had many things in common. Although most of the state's commodity production, such as copper, cotton, cattle, wool and lambs, must seek distant markets at world prices, they found that there was much they might do to help each other.

As a result, a permanent organization was formed to serve as a central clearing house through which closer contacts could be maintained and cooperative effort initiated whenever feasible. The name Arizona Industrial Congress was chosen—the word industry is used as applying to all essential enterprise, including agriculture, transportation, and so on—a constitution drafted,

Spilsbury made president, and the "Arizona Plan" was under way with a roving commission to work itself out as best it could.

The Congress was then, and still is, merely a clearing house. Even a state so young as Arizona already had a plethora of organizations. Every industry and profession of consequence had its own association, every community its chamber of commerce. There were luncheon clubs, women's clubs and hosts of others through which the individual citizen could be reached. These organizations made up the membership of the Congress; their presidents were its directors, selected by member organizations themselves under six general divisions.

These six divisions—agriculture, business and finance, live stock, mining, professions, public utilities—were to share operating expense equally. There was to be no promiscuous money-raising nor duplication of activity; if anything was to be accomplished, they would have to do it for themselves by industries or sections, through their own bodies. The function of the Congress was to keep them headed in the same direction and pulling together.

A plan of cooperation

CONSIDERING the simplicity of that beginning, it was astonishing how much cooperation the new agency received, or rather, how much interest the different groups took in each other's problems. Mining men and farmers, cattlemen and

bankers, manufacturers and distributors, teachers and lawyers, discovered that neighbors should be friends; that directly or indirectly each had a stake in what happened to the others. Mining companies that sold every pound of metal in the East were interested in the development of agriculture and business because the only way their tremendous proportion of taxes could be reduced was by building up other forms of taxable wealth.

Farmers and business men were interested in the mines because, aside from the taxes the mineral industry paid, mining districts constituted some of the state's principal markets. Groups that had been almost hereditary enemies found that they should be allies.

There were no economists in the few of us gathered to form a staff with Spilsbury as chief, and neither were there any high pressure organizational promoters. Our engineer president had 23 hard-headed business men directors to pass on any theories he might evolve but he advanced only one. It was that we Arizonans must help ourselves, and that we could help ourselves most effectively by helping each other when we could, because anything that benefited one industry, one section, one group eventually would benefit all somehow or other. Given time and money, no doubt we could have drawn up as elaborate a plan as any Utopia might require, but "trouble shooting" in the present seemed vastly more practical. Utopia, our leaders reasoned, would take care of itself if we did the same.

Aiding purchasing power

ARIZONA'S most urgent problem was the then, as now, universal one—bolstering purchasing-power by restoring earning-power. As Spilsbury and our directors saw it, this involved first bringing some degree of stability to existing industry and business; then, in the longer view, clearing the way for new development so that it might come gradually and solidly. Admittedly there was little that could be done for our largest industries such as copper and cotton. There were, however, hundreds of small businesses and industries whose adjustment would affect large numbers of people in the aggregate.

Having sold the idea of co-operation between industries and sections, the Industrial Congress sold the application of that idea in terms of the human element.

The prosperity of any area, we pointed out, is merely the sum total of the prosperity of its individual residents, the family unit. The primary aim of industry and business should be the welfare of the family unit. When we talked of an interchange of help for eventual profit to all concerned, we talked in terms of human beings.

Theoretically we reached the family unit through organizations. In practice, since many groups were unorganized, our "trouble shooting" took the form of unending series of detail. Unusual in an engineer, Spilsbury was a salesman, too. He convinced wholesale dealers that it was to their future interest to give producers a lift in marketing their products. He showed retailers that they were dependent on local consuming-power, and could help themselves by helping local industries and labor when they could. He showed women's clubs that women, as the purchasing agents of the homes, had an economic power that reacted on their family fortunes. Our quickest asset in increasing earning-power, we proclaimed, was to use our existing purchasing-power to help ourselves as much as possible.

It was inevitable, of course, that a "Trade at Home—Use Arizona Products—Buy in Arizona" movement should follow, and that it should be taken up by organizations, newspapers and communities. We tried to keep the movement sane. Certainly, we said, we

who make our living in Arizona owe it to ourselves to give a reasonable preference to firms employing local people and paying local taxes, but only when it is justified. Such items as quality, price and service must deserve our preference, too, or reciprocity has no point. Our reasoning carried no attempt to discourage competition or impose barriers to trade, but only to give the state a unity. To a large extent it succeeded.

Buying at home helped

ARIZONA, remember, was, and is, a comparatively isolated state, its producing industries comparatively new, much of its population new and drawn from everywhere. Many of our people, we discovered, had no idea as to what we produced; many of our larger industrial concerns had never had occasion to ascertain that they could easily arrange to draw from local jobbers' stocks supplies which they were buying at distant points and warehousing themselves.

Our program proved its educational value in periodic sales and purchasing reports that reached our office. At least it gave us opportunity to tell our producers and business men that they could not expect help from anyone unless they merited it.

In reality, this was the movement's most sound result, for no one who studied Arizona in 1921 and again in 1930 could deny that standards of business and production had improved. The Industrial Congress brought producers and distributors into conference, had dealers take the trouble to show producers exactly what they must do to get the business. We held annual conferences of manufacturers, jobbers and purchasing agents so that sellers could learn buyers' requirements at first hand. We brought together executives instead of employees and they found a multitude of conditions and prospects that routine sales effort could not have revealed. We established contacts for handling everything from a local potato crop to the output of small factories. When one specific industry or business had a problem, we called in the other side. If they could work it out, well and good; if not, there was a reason to be remembered next time. If the man with the problem were only a small, harassed farmer, we tried as hard.

The amazing thing to us was not how many demands were made upon us as this work developed,



For ten years Mr. Whitman has watched Arizona's experiment in "economic planning"

but in how many cases tangible cooperation could be obtained. When farmers doubled their wheat acreage one year and flour mills saw no way of using the full crop—freight rates prohibited exporting the surplus—wholesale grocers and chain stores found a way to increase their orders. When an isolated farm community suddenly lost its usual market for hay, railroads voluntarily obtained official sanction for an emergency rate to move the hay elsewhere. The Industrial Congress was a sort of telephone switchboard. Calls came in and were put through to their logical destination; sometimes the connection was completed, sometimes not. But the switchboard was there.

Industrial planning

ALL THIS was the "trouble shooting" side, and enabled us to take advantage of the upward trend in conditions everywhere. After the first few years, as the state resumed its interrupted development, the "planning" function became more used. New enterprises came to us for advice and help; existing industries asked counsel in expansion. Creameries, meat packing plants and similar establishments had learned that competition could be met only by equality in price, superiority in quality and service, and were taking this path to help themselves. Groups of farmers organized to similar effect. When men with capital came to us with propositions we aided them with market surveys and placed the cards before their prospective customers. Several times, when an especially favorable opportunity presented, we went out ourselves and interested capital in undertakings; just as often we discouraged optimists from entering hopeless fields. When promoters appeared with doubtful schemes we did our best to head them off and usually succeeded when we were called upon in time.

Still, our most effective work, I think, was in larger, more many-sided problems in which no one agency can take credit, as any advisory body is likely to find the case. We sat in on negotiations between mining companies and water users' associations that resulted in contracts which made possible the financing and construction of several power dams. We helped to lay the foundation for official investigations that settled, by adjudication, water rights between two

large irrigation districts that otherwise would have gone into long and expensive litigation. We helped coordinate the national advertising being done by several resort cities and by railroads, which gave the state the equivalent of an extensive state campaign without added expense. We linked automobile associations and chambers of commerce in a "See Arizona" movement to advertise



P. G. Spilsbury, president of the Arizona Industrial Congress

summer resort possibilities. This has given further impetus to rapid tourist development.

The Industrial Congress, literally, did a bit of anything and everything. Economic problems, we kept emphasizing, are business problems; if the affected business men and producers can't solve them, no one can. Relief must come from within; it cannot come from governments or legislation. We found, naturally, that the best organized industries needed the least help; we found also that the larger, best organized industries were the most willing to help others. Mines, railroads, lumber companies, utility companies and like corporations gave the most active support to local business and small industry and on occasion went much farther.

When the Farm Bureau Federation decided commodity marketing offered the only solution for handling staple crops after the debacle of 1921, mining companies underwrote the loans that financed organizational campaigns and

a number of new organizations. When several districts were holding "mine revival" meetings to stimulate interest in more diversified mining development, including non-metallic minerals, copper companies opened their laboratories and technical staffs to prospectors and small operators who could not afford research facilities. Later, when bollworms infested cotton a score of corporations signed notes for half a million dollars to guarantee payment of the state's share of the cost of necessary non-cotton-zone compensation until official action could be obtained.

Not without opposition

I WOULD not infer, however, that this self-developing idea did not have opposition. Whenever you form a business organization you have among its interests a lively concern for economy in government, and whenever you have an organization that is interested in government you are likely to have the distrust of your politically-minded brethren. One of the initial decisions of the Industrial Congress was that it must avoid any form of partisan activity and that, as a clearing house, it should leave actual effort in tax matters to its component independent groups. In our early innocence, nevertheless, we saw no harm in submitting a number of constitutional amendments designed to promote efficiency in public office, throw some safeguards about the bond issuing capacity of counties and municipalities, and make less indiscriminate the use of the initiative and referendum. But issues were few that year and our amendments were gleefully seized upon—and thoroughly defeated.

Somehow or other the defeat did not prove a blow, and it proved to be good experience. Although we have since endorsed or opposed many pieces of legislation, we have left their introduction and support to those in whose chosen field they come. Nor have we ever had the slightest difficulty, regardless of administration, in working with city, county, state or federal officials.

For years the Industrial Congress has acted as an agent of the Department of Agriculture in financial administration of federal fruit and vegetable inspection service we obtained for lettuce and melon shippers and growers—a service, by the way, that aided materially in building up these industries until they

(Continued on page 120)



THEIR NAMES MADE NEWS



Here are their faces



TRADE BODIES

To stabilize production and consumption in this country, Gerard Swope, president of the General Electric Company, proposes that each one of our industries organize a national trade association

ADVERTISING

Education of the public will play a large part in ending the present depression, the Advertising Federation believes. To lead it for another year that group named Gilbert T. Hodges, of the N. Y. Sun board



FINANCIER

Phillip R. Clarke has been chosen to head the new Central Republic Co., of Chicago, the investment affiliate of the Central Republic Bank and Trust Co., organized through a merger of two Chicago banks



SHARES

Charles S. Mott, one of the vice-presidents of General Motors, owns a few shares in the company. To be exact, 649,518. While he holds the largest block, his total is but 1½ per cent of the shares outstanding



NINTH TERM

Again the American Automobile Association has called on Thomas P. Henry of Detroit to assume the presidency. In his ninth term, he is still fighting to equalize taxation which now burdens the motorist



AIR MERGER

When Boeing, Varney, N.A.T., and P.A.T. air lines merged, they chose P. G. Johnson of Seattle president. The new United Air Lines is world's largest operator, with 12 million air miles yearly



MORE OIL

It took the Vacuum Oil Company and Standard of New York a long time to complete their merger, but now it is a fact. Charles H. Arnott of New York heads the new company, known as Socony-Vacuum



HEADS HAHN

Paul Quattlander is named president of Hahn Department Stores. When Lew Hahn became chairman of the board recently, he was thus succeeded by a man who was trained under him as operating assistant



PHOTO BY APPELTON, BUFFALO

In any field, a new container design yields benefits if well worked out

Are Your Products Dressed Right?

By RAYMOND WILLOUGHBY

Of the staff of NATION'S BUSINESS



PRODUCTS which have long presented frozen faces to the world are now yielding to the art of make-up. Appearance is the new watchword, for manufacturers are finding that more pleasing design means more pleasing sales curves

PERSONAL appearance counts heavily in the campaign for success, our tailors, haberdashers, and shoe merchants regularly remind us—and more and more, newspapers and magazines aid and abet them in making Americans appearance-conscious.

Women have long known the value of surface considerations. "What the well-dressed man will wear" has become the business of many industries.

And now all the commodities of commerce seem to be dressing up, to be completely smitten with the heady touch of style. Personal appearance or package appeal—call it what you will, the letters "P. A." stand for a new deal in merchandising.

The whole country took notice of the paint trade's apt admonition "save the surface and you save all." As broad a coverage could be dimensioned with the slogan "sell the surface and you sell all."

In a very real sense it can be said that life is lived in and out of packages—houses and clothing are merely the conventional shells with which we front the world. Styles in architecture, as well as in apparel, proclaim the man, and it is very much somebody's business to offer occasional revision of the existing order. Even furniture and furnishings must

acknowledge the fluidity of public favor or find a resting place in the potter's field of distress merchandise.

It is demonstrably true that monotony of design is the death of markets. The power-boat business was waterlogged for years under a crystallization of design and prosy customer-appeal. Development of portable motors in convenient sizes gave such a rousing fillip to the business

that mass production of hulls and fittings of inboard and outboard craft is now a profitable reality.

Many designs show progress

IF FURTHER evidence were needed that there is a destiny which shapes our ends, it is on view in the passing of the traditional tail coats of railroad conductors. Of course, it is possible that where new design has been so long in arrears, revision to some persons may seem profanation rather than progress. Possibly the higher bows on spectacle frames will help us all to raise our mental sights.

It is paradoxically true that the consumer wants to be an individualist, yet at the same time he craves the approval of the crowd.

The effect of this tendency is apparent today in the manufacture of almost every commodity consumed. A most im-



BARKLITE CORPORATION

Products must look as well on the shelf as on the advertising page

pressive example is the automobile industry.

As J. Sherwood Smith, a vice president of the Calkins & Holden advertising agency once phrased it, "Although style and color have always come before mechanical perfection in the woman's point of view, the automobile industry made few concessions to this state of mind until women took to driving cars and made their voices heard in salesrooms. Ten years ago, Cadillac, for instance, was making eight models in two or three color combinations. Today it offers 30 models in 200 different color combinations." What Walter Dorwin Teague has done with the new "Marmon 16" is now a matter of public display in showrooms throughout the country. Chevrolet and Ford both found that the car buyer wants more than "economical transportation." Beauty, as well as murder, will out.

In the food industry, as in other industries, a growing development finds expression at some particular time in a spectacular novelty which crystallizes nebulous thought and sets the industry off in a new direction. It is the opinion of Ralph Starr Butler, vice president of General Foods Corporation, that a decisive change in the food industry began when the National Biscuit Company first took crackers out of the barrel and put them into boxes.

New preparations build sales, too

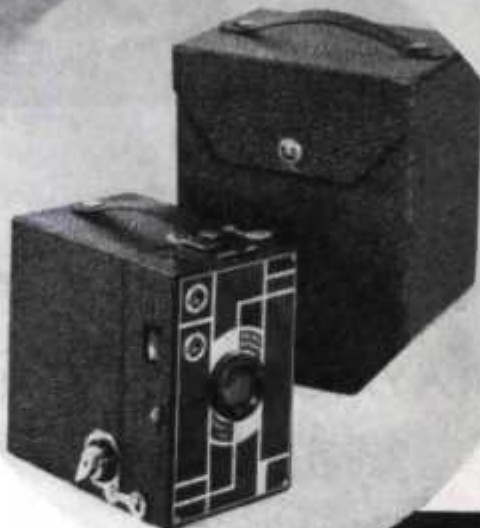
SINCE that time the change from bulk goods in retail grocery stores to packaged merchandise has been almost complete. But it is well to keep in mind that smart ideas have also put a new selling edge on old products. Attractive packaging is not the whole of the story.

As Mr. Butler says, corn had long been used for human consumption, but not until a manufacturer invented corn flakes was such a product ever heard of by consumers or dealers. Bran, although widely used as feed for animals, had never been developed as a human food until a manufacturer

found a way to prepare it in palatable form.

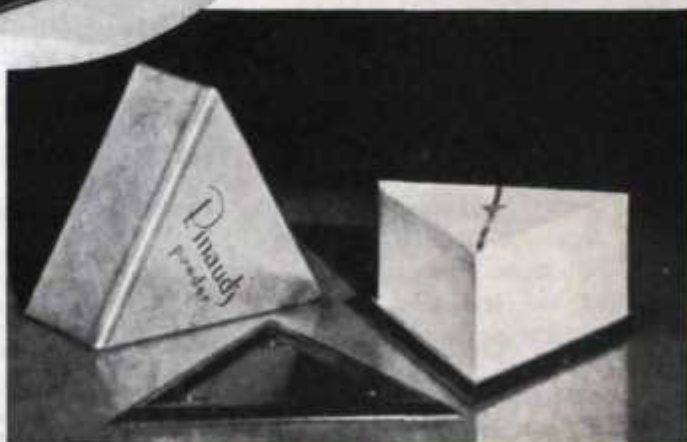
Gelatin was first proposed as an ingredient for dessert as far back as the time of Peter Cooper. Not until a manufacturer combined gelatin with fruit flavor, sugar and coloring matter did gelatin desserts win a favored place on the American table. Housewives for years made their own salad dressings. Preparation of the dressings did not become a business until manufacturers worked out a way to make them in a new and attractive form, and to add them to the articles which the retailer has a chance to sell and from which he has a chance to add to his profits.

No less significant of commercial vision was the establishment of the "vacuum can" method of packing shelled walnuts. This shelled pack uses the "splits" and other walnuts that can not be marketed in shells because of some blemish although they are thoroughly edible. What was formerly a waste, and an extra expense, now yields the grower inviting returns.



New sales appeal is being taught many old products

Configuration of package comes to its liveliest accent in cosmetics



GENERAL PLASTICS, INC.

How much the public is aware of change in package design is indicated by J. D. Malcolmson of the Robert Gair Company, New York, makers of box-board containers. "The public has been educated," he said, "to the value of protective, as well as artistic and convenient packages. As a result, merchants everywhere are asking for better greaseproof and moistureproof containers."

As for the psychology of design, Mr. Malcolmson believes "we have learned one fundamental rule, and that is that the public likes change and novelty, but not too much change and novelty. There is quite a delicate balance here. A package that never changes may come to a standstill in sales, or even lose ground, because it is human nature to disregard the familiar object. Also, there is danger of its getting old-fashioned. On the other hand, too radical a change may puzzle the prospective buyer and scare him off because or

its complete unfamiliarity." The addition of a cellophane wrapper to cigars and cigarettes illustrates the inviting touch of reasoned novelty.

In other words, to quote Edward H. Scheele, president of the Package Design Corporation, "the simplest but most often violated rule is that 'change' should never be considered an end in itself."

Packages should be good

OR, AS the General Plastics Corporation argues the case, "Since you must package, make your package pay. Cheap put up means quickly put down." A rejuvenated design is the best insurance against shelf deterioration. Items that become "wall flowers" are excess baggage.

Books and toilet preparations are among the most advanced exponents of eye appeal. The vivid paper jackets that now clothe book bindings as artful backgrounds for publishers' blurbs reveal little kinship with the drab "dust covers" of an earlier day. Color and configuration come to their liveliest accent, perhaps, in cosmetics, perfumes, and toiletries. Tubes, jars, boxes, bottles,

"First, it gives the company a fresh sales and advertising angle. Second, it allows the company to make better and more frequent use of illustrations of the package in its advertising to consumers. Third, it gives the company an opportunity to eliminate a lot of unnecessary copy and directions from the container. The simplification of the Grape Nuts package offers an excellent example of how the manufacturer can radically cut down the number of words on his package and at the same time greatly add to the sales message the package delivers. Fourth, in some instances the company is able to correct design fault which has been handed down by tradition. The new wide mouth Blue Label Ketchup bottle is an excellent example of such a change."

The packaging era came, says Byron Harris in *Advertising Displays*, as the result of the discovery that packaged merchandise sold more readily and profitably than bulk goods. And revelation that sales could be stimulated through an intensified eye appeal brought manufacturers to a new understanding of package possibilities. Staple commodities and familiar products no longer get into American homes by merely representing that they are old friends of the family.

Shelf-appeal must aid advertising and salesmanship. The product must stand out in the dealer's display as individually as it did in



After 47 years the Gold Dust Twins considered it good business to change their dress

and flasks rival the hues of the rainbow. Design plays upon glass, metal, and paper with an almost infinite variety of pattern and proportion.

As every one sees, colorful containers for confections are a national commonplace. The wise candymaker knows that the eye must be won before the hand will reach for a sweet.

Where art is so versatile a handmaid of commerce it is only natural that the letter of design should vie with its spirit—that trade names and identifying text should be translatable into beauty as well as into value.

It should be understood that the adoption of a new container design in any field promises several benefits if well worked out. Here are some of the returns as *Printers' Ink Weekly* sees them:



New containers mean new selling points, as witness this box to move coal in small lots



GENERAL PLASTICS, INC.

Toiletries are among the advanced exponents of shelf appeal

the advertising pages. It is readily apparent that new containers provide new selling points. Examples that come readily to mind include the Kellogg "waxtite" package, the new *de luxe* black and gold Bon Ami package that has changed its kitchen clothes for a dressy part in the modern bathroom, the ingenious new container with which Bauer & Black are packaging absorbent cotton, and the KariKol packages put up by the Colorado Fuel & Iron Company to move coal in small lots. Trade-marked

coffee in vacuum cans made news in the grocery trade. The fact that after 47 years the Gold Dust Twins thought it good business to change their dress provides its own emphasis on package importance. Canada Dry sees aid to volume sales in entering the "big bottle" market, and the Carpenter Company of Milwaukee baits the consumer's taste by putting out a loaf made up of three kinds of bread. Tomato juice has been placed upstage as a national food drink.

Products with double duty

VERSATILITY is now as desirable in commercial products as it ever was in the old-time road show where a good actor was expected to "double in brass." A glance at market promotion reveals that many old products have been taught new sales appeals. For example: yeast for health (Fleischmann); starch for the bath (Linit); milk of magnesia sold as a dentifrice, and as a hat cleaner; Listerine as a dandruff cure; marshmallows as a cooking ingredient (Campfire); fertilizer sold in packages and in pellets for house plants ("Bloom Aid" and others).

Linoleum, once a drab utility in kitchens and bathrooms, has been exalted by Armstrong Congoleum-Nairn, and Blabon to a decoration for the entire house. Cork likewise won a place in the construction of miniature golf courses. The umbrella is being styled as a costume accessory (Folmer-Clogg), and washing machines, vacuum cleaners, radios and bookcases have been scaled down to the dimensions of restricted living space and restricted incomes. The possibility of drawing a profitable merchandising parallel with the "two-car" selling argument is also invitingly in view.

Similar extensions of product appeal are numerous. Consider the subject of irradiated foods. "Vitamin D" has been

added to Bond bread, Clapps' soups feature the "wheat germ," and Squibb plays up "chocolate vitavose." Nowhere is the effort to focus the consumer's interest better illustrated than in the soap specialties, of which the chips, flakes and beads are representative types. How well the public has been educated to use these novelties is decisively accented in the surging increase in the production of granulated and powdered soaps—173,000,000 pounds in 1927 to 288,000,000 in 1929, a 65.8 per cent gain.

"What's in a name?" the poet asked, and a hundred imaginative industries find the answer in the selection of cogent word or phrase. Kodak took photography out of the dark room. Mazda made electricity a household word.

Brevity is the soul of commercial christenings as well as of wit. The lively litany of commerce is rich with names that etch a mental picture in snapshot tempo. Run through the advertising pages of a metropolitan newspaper or mass-circulation magazine, and picturesque trade names will flash into your consciousness with an almost electrical emphasis.

Duco, Pyrex, Eveready, Kelvinator, Delco—what a modern world those syllables define. Victrola, Glassine, Ivory, Prest-o-lite—golden words in the advancement of several industrial fortunes. Zipper, Auto-Strop, Beauty-Rest, Auto-giro, Prophylactic, Celotex, Electrolux, Teletype, Cellophane—names that give new trade touches to the American civilization.

"Time to retire," says the sleepy-eyed youngster in the Fisk tire copy. And "time to rename, time to redesign" might serve as a profitable slogan for any industry with products suffering from sleeping sickness.

The degree to which color is a factor in design is indicated by the situation in the American kitchen. So great is the multiplicity of hues that a trade meeting was held in New York to see what could be done toward simplification.

Sponsored by the New York *Herald-Tribune*, the meeting disclosed the fact that there were 1,517 colors in use for application to pots, pans, kettles, ranges, cutlery, and refrigerators which "in the old parsimonious days" were merely considered objects of utility.

Trying to match colors

ONE complication, the meeting was told, proceeds from the desire of the American housewife to match housewares in department stores with fabrics of diverse hue. The opportunity for simplification as suggestively defined in the statement that there are now 119 shades of the color known as "buff."

Perhaps it is too much to expect the extremity of simplification indicated in the specification of the man in the

play who wanted "any color so it's green"—but there may be a compensating satisfaction in the knowledge that it is now possible for pot to call kettle something else than black.

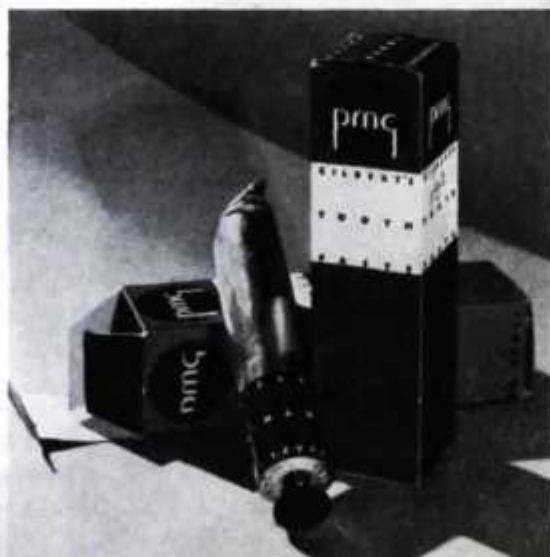
Product design, color, and packaging, excellent as they may be, as a harmonious trinity, get few calls if they lack effective display. It takes first-class showmanship to create effective demand.

The merchant who remarked that art is long, but the time of customers is short probably intended no irreverence to Longfellow's famous judgment. The distinction of the later appraisal is in its shrewd approach to the new spirit of mer-

(Continued on page 121)

Trade names sometimes are translatable into beauty as well as value

Today Bon Ami dresses for the modern bathroom as well as kitchen



GENERAL PLASTICS, INC.





Light Delivery Panel Truck—Disc wheels. Price including body \$555. 1½-Ton Panel Truck. Disc wheels. Price including body \$760

Chevrolet six-cylinder trucks

cost less for gas, less for oil, less for upkeep

"Our gas consumption has been lower on the Chevrolet six-cylinder truck than any other type of truck we have used. Our oil account has decreased over 40%. Our repairs have been insignificant."—*Savannah Georgia Laundry, Savannah, Ga.*

"I have driven my Chevrolet truck 80,000 miles, and as yet it has not been necessary to have a major repair made to the motor."—*R. R. Stanley, Dallas, Texas*

"Hundreds of stops and starts don't help gasoline mileage any, but we find that Chevrolet gives better mileage under these conditions than any other make of car or truck."

—*Castberg Creamery, Powell, Wyoming*

The files of the Chevrolet Motor Company and its dealers contain letters from owners in every hauling and delivery field. And almost without exception, these letters confirm the established fact that Chevrolet six-cylinder trucks cost *less* for gas, *less* for oil and *less* for upkeep. One typical Chevrolet model, with many unusual economy-records to its credit, is the six-cylinder half-ton panel truck, illustrated above. Many leading fleet users, as well as grocers, florists, dry cleaners and hundreds of other retail establishments, are buying this big Chevrolet delivery unit in constantly growing numbers.

They are proving, week after week, the dollars-and-cents value of such economy-features as the fast, smooth, 50-horsepower 6-cylinder engine—the efficient carburetion, cooling and lubrication systems—the long rugged chassis—the full-capacity Chevrolet-built body. Their records show that no other truck of this

type is so economical on gas, oil, tires, upkeep and service. And remember—this truck, like all other Chevrolet models, is one of the lowest priced in the commercial car market. The cost, complete with the handsome Chevrolet-built body, is only \$555*.

COMMERCIAL CHASSIS.....**\$355**

1½-Ton Chassis with 131" wheelbase (Dual wheels optional \$25 extra) ..**\$520**

1½-Ton Chassis with 157" wheelbase (Dual wheels standard) ..**\$590**

*All chassis prices f. o. b. Flint, Michigan. All truck body prices f. o. b. Indianapolis, Indiana. Special equipment extra. Low delivered prices and easy G. M. A. C. terms. Chevrolet Motor Company, Detroit, Mich.

CHEVROLET SIX CYLINDER TRUCKS

For Lowest Transportation Cost



Charles F. Brush, in 1885



Elihu Thomson about 1887

The Long Road to Modern Comfort

By JOHN W. HAMMOND

Of the General Electric Company

THE shocking properties of the torpedo fish were known to the ancients. That amber, vigorously rubbed, would attract bits of straw and similar light objects is said to have been the discovery of a wise old Greek named Thales, some 600 years before Christ.

William Gilbert, physician to Queen Elizabeth of England, locked himself up for weeks on end and with the crude equipment of the period conducted hundreds of experiments which discovered for him the fact that many substances possessed some strange power of attraction. About the time that Sir Francis Drake was playing havoc with Spanish shipping, Gilbert named this mysterious force *vis electrica*, translating into Latin the Greek word for amber. Walter Charleton, another early experimenter, called it electricity in 1650.

For the next 200 years, various scientists of Europe played with the new power, wrangled among themselves over vague theories and progressed but little toward untangling the mystery.

But while these savants of the old country studied and argued over their complicated formulas, while they manipulated ponderous and impractical

★ A COMPARATIVELY short time ago electricity was a toy for scientists. Today it is a necessity. This article—the first of a series—gives you a glimpse of a few of the men who brought about the change. It also points a moral—today's experiments may be tomorrow's necessities

machines in solitary laboratories, Benjamin Franklin was constructing those sublimely simple and concise theories of his—and proving them by using them. While the wise men of Europe huddled in dusty rooms, squabbled bitterly over principles, delivered subtle addresses before the academies, the American sage was giving "electrical picnics" on the banks of the Schuylkill River, demonstrating the usefulness of this new force, destroying—so far as he could—its mystery and inviting the people from far and wide to see.

Early experiments

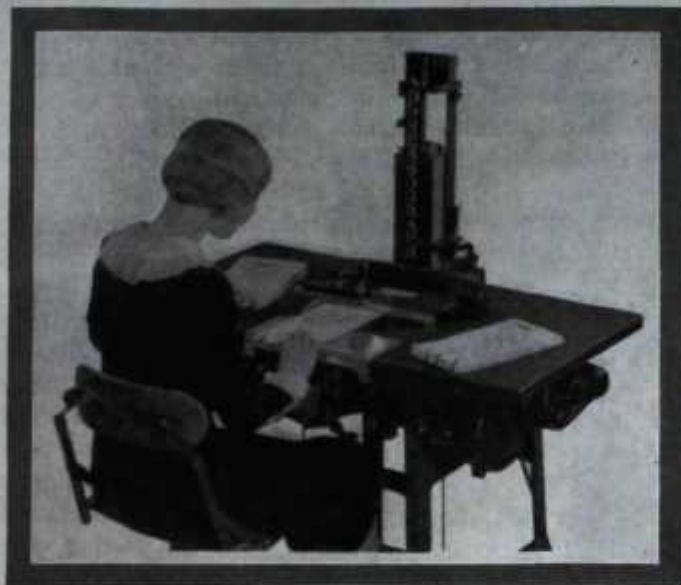
AT ONE such "picnic" a turkey was killed by an electrical "shock" and served for the onlookers' dinner. It was roasted on an electrical "jack" over a fire kindled by Franklin's electrical "bottle." And at this feast, the healths

of all the "famous electricians of England, Holland, France and Germany were drunk in electrified bumpers under the discharge of guns from an electrical battery."

But Franklin died. There was no one in America to take his place. The stories of his experiments spread abroad and once again the work was picked up and carried on in the laboratories of Europe. Great gaps were bridged by great men—Faraday, Davy, Aepinus, Volta, Coulomb, Cavendish, Ampère, Ohm, Oersted, Pfaff, Cruickshank, Joule, Roget, Helmholtz, Kirchhoff, Kelvin, Maxwell, Savary, Wollaston and others. Great names, each making its contribution to the solution of a great mystery.

But still they were talking in terms of science, still they were limiting their work to the close walls of tiny laboratories, still they had failed to find uses for this fearsome plaything. These men

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with machines
for variable
figure work



Analysis of clerical work discloses that the time-and-wage cost of repeatedly writing standard data justifies ADDRESSOGRAPH mechanical high speed record writing. Names of customers ... prospects ... employees ... numbers ... rates ... specifications ... stock records and the like ... written by hand methods on all kinds of communications and forms ... build up unwarranted clerical expense. In comparison with ADDRESSOGRAPH high speed writing 50 to 55 minutes of each hour spent in handwriting or typewriting standard records is wasted ... paid for without adequate return. For with **ONE motion**, ADDRESSOGRAPH does the work of 50 to 100 hand motions ... 10 to 50 times faster ... and absolutely without error. With such speed expediting accounting, production, selling and general organization detail, fewer employees are required ... with a substantial office payroll saving. A time study will be made, and comparative ADDRESSOGRAPH performance for your particular needs will be demonstrated upon request. Write, designating a time, or phone your nearest sales and service agency.

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did work that, undone, would have seriously and perhaps forever delayed the coming of the power plants that dot our waterways, the miracle of light, the everyday wonder of electric toasters and irons and ringing bells and telephones and radios and the thousand other common things with which electricity entertains us and works for us at the pressure of a button.

Practical dynamos in America

BUT first honors for practicality were to come back to America. And it is particularly fitting that the first time an electric dynamo purred to provide current for an arc light on public exhibition should have been in the machinery hall of the Centennial Exposition at Philadelphia, not far from the scene of Franklin's famous "picnics."

Casual visitors at the Exposition paused to look, to murmur "what interesting novelties," and pass on to view the monstrous Corliss steam engine, capable of producing 1,000 horsepower of energy, the popular wonder of the exhibition. And so mankind has often passed by budding external forces that rise, one day, to change the habits of the world. Those two humming dynamos that made an arc lamp splutter were the infant electrical industry.

A few men saw the vision, glimpsed the possibilities and went to work. One such was a young man in Cleveland, Ohio. While the Philadelphia Centennial was still in progress, Charles Francis Brush brought out his own electrical dynamo and arc light with complete, though unspectacular, success.

Brush was then 28. His dynamo was the joint product of his own electrical knowledge and the vision of George W. Stockly, vice president and manager of the Cleveland Telegraph Supply Company, manufacturers of telegraph instruments, annunciators and electric bells for fire-alarm systems. For, by 1876, America had gone far in harnessing this new force and the electric light came on the trail of many other developments.

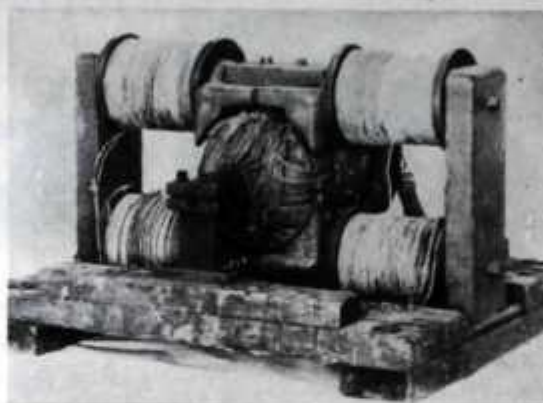
In a conversation with Stockly, Brush remarked that he believed he could build a better arc-lighting system than was being built. Stockly was impressed, enthusiastic. He offered the young man shop facilities and commercial backing.

Brush retired to his home near

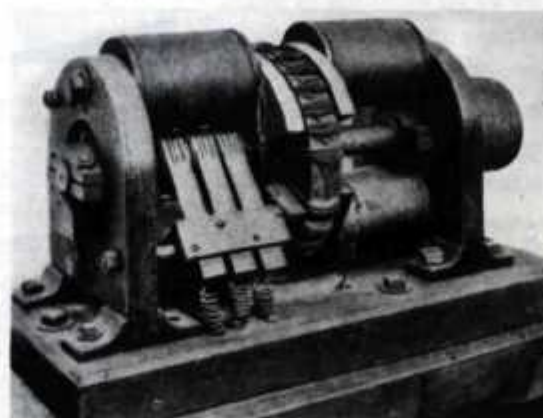
Wycliffe, Ohio, and for two months nothing was heard of him beyond the request for certain iron castings that the Telegraph Supply Company provided. Except for those castings, the Brush dynamo was entirely handmade.

He arrived unannounced at Stockly's office late in the summer of 1876 with the thing on the buggy seat beside him. It created a mild stir. The dynamo was taken into the company shop and connected to an old clock-work electric lamp with carbon points. The dynamo worked but the lamp did not. So Brush set about designing one of his own. It was successful. Stockly was jubilant. But his young colleague had only started.

Here was one dynamo, one arc light.



The experimental dynamo built by Professor Thomson in 1878, above. Below, the original dynamo designed by Charles F. Brush in 1876



Brush was looking ahead to see the day when a number of lights could be operated in the same circuit and supplied with current by the same dynamo—a job not previously attempted. But before such a plan could be adopted, some means was required to keep the arcs in all the lamps at a uniform length so that they would give a uniform volume of illumination.

Many long hours and pencil stubs, much perspiration and courage went in-

to overriding this obstacle. It was accomplished in 1878. But with its accomplishment came another problem. The arcs could now be uniform, but a larger dynamo was needed to run them with any commercial success. So a period of experimenting and designing began with a dynamo powerful enough to supply current to 16 lights as the goal.

At this point, stockholders in the Telegraph Supply Company decided that Brush was spending too much money. They believed he was working in a field without a future. The young man had to come out of his workshop and go into conference rooms to quiet their fears and get them to adopt an agreement giving the Company sole rights to manufacture and sell the Brush system under any patents that he might obtain.

Then came years of experimentation. Although public interest was not great, scientific interest was growing. Two of the smaller Brush dynamos were among several other machines tested by the Franklin Institute of Philadelphia. On the testing committee were two professors of the Philadelphia Central High School, Edwin J. Houston and Elihu Thomson.

A boy in electricity

HERE was an interesting coincidence, for the most severe competition the Brush system ever encountered came, years later, as a result of the work of Thomson. This man, destined to play a leading part in the development of electricity, was—in 1864—a disconsolate boy of 11. His sorrow grew from the fact that he had been graduated from grammar school so young that he could not enter high school for two more years.

To a youth keenly bent on knowledge this was a serious disappointment. School men even suggested that he be refused books during this period lest he overstimulate his brain. A wise mother refused to carry out these instructions. She bought him a book on magic. A section devoted to experiments with electricity appealed to him and soon he had fashioned himself most of the apparatus described in the book.

When he was graduated from high school he was familiar with most branches of mechanics and had come fairly to the limits of contemporary knowledge in electricity. From that time, Elihu Thomson is numbered among the



. . . Are your costs looming bigger than your profits?

Are your production costs overshadowing your profits in some of the processes in your plant? Are you tolerating excessive waste, slow results because of inefficient machinery—or lack of machinery to perform certain operations?

Let us speed your old machines—or create new machinery for those production processes where you have never used machines before.

A number of plants in varied industries, each with a different problem, are today making a better product and bigger profits through the use of special machinery designed and built by Special Production Machines engineers to meet their needs.

This is the time to cut production costs to the minimum, to take advantage of every means to combat competition. No one else can profit by the work we do for you . . . The patents of any machines developed by us for your production become yours—automatically. Write us for more complete

details on what we have done for others, and our methods of operation in your plant. Special Production Machines, 67 Newport Avenue, Norfolk Downs, Mass.

Special PRODUCTION MACHINES

A Division of PNEUMATIC SCALE CORPORATION, LIMITED

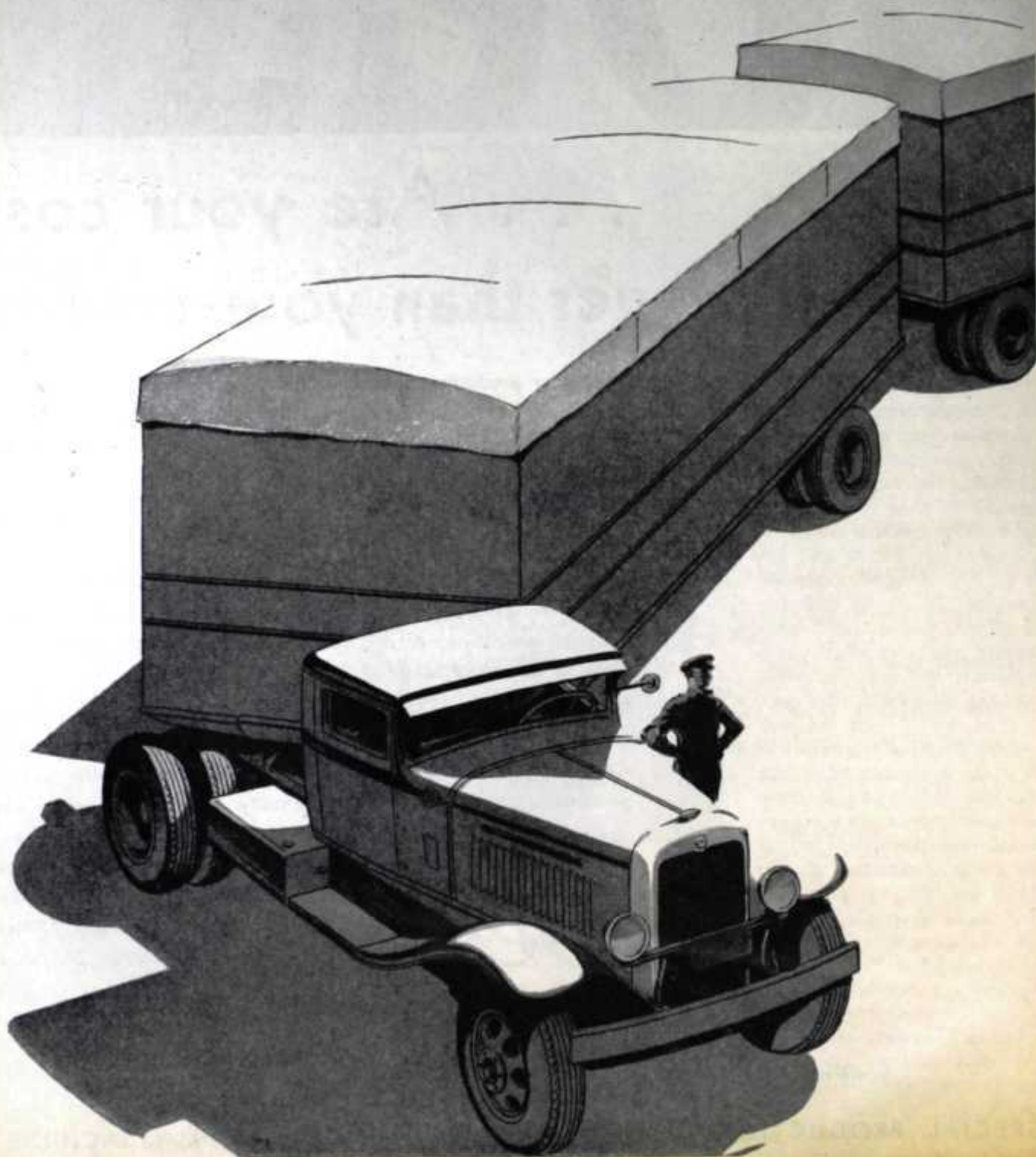
For over forty years, Pneumatic Scale Corporation, Limited, has manufactured automatic labor-saving machinery for many of the world's largest producers of merchandise

SPECIAL PRODUCTION MACHINES, NORFOLK DOWNS, MASSACHUSETTS

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MATCHED TRUCK AND TRAILER EQUIPMENT TO FIT EVERY HAULING NEED

General Motors Truck Company is first to meet the need for a *complete* line of trucks and trailers. Now you can get all your hauling equipment under one purchase agreement, from one supplier. You can get service on trailers as well as trucks from the





same organization. If you maintain service facilities of your own, your parts stocking problems are further simplified, because many vital parts of General Motors Trucks and trailers are the same—one stock serves both. Standardize on General Motors matched truck and trailer equipment—take full advantage of General Motors Truck expert advisory service in helping you select the exact types you need, get *matched* units that team for maximum profit, and reduce your service and repair stock costs. The General Motors Truck Company name on every unit insures sound value.

Time payments financed at lowest available rates through our own Y. M. A. C.

GENERAL MOTORS TRUCK COMPANY, PONTIAC, MICHIGAN (A Subsidiary of Yellow Truck and Coach Mfg. Co.)

GENERAL MOTORS TRUCKS AND TRUCK-BUILT TRAILERS

great leaders in electrical science. He became full professor of chemistry and mechanics at the Philadelphia Boys' Central High School in 1876—about the time that young Brush was developing his first large dynamo.

One of Thomson's pupils was Edwin Wilbur Rice, Jr., later to become his devoted disciple.

In 1878, Professor Thomson went to Paris to attend the modest electrical exposition. There he saw French arc lights in operation, in particular the alternating current lamps of Paul Jablochkoff, a Russian. These lights were then installed along the *Avenue de l'Opéra*. The display convinced him that electric lighting was practical and that this alluring field had an exciting, unlimited future.

Returning to Philadelphia, he performed before a small group of spectators in the lecture hall of the Franklin Institute one of the most remarkable experiments of the period.

He used a dynamo and two electric arc lights that he and Professor Houston had made. The dynamo was capable of producing either direct or alternating current. Its output, in this demonstration, was used as alternating current and, instead of sending it direct to the lamps, he first sent it into two induction coils which were connected to the circuit in parallel.

First circuit in parallel

THIS was significant because parallel connection, as distinguished from series connection, was, and still is, the most efficient electrical practice with induc-

tion coils or transformers. Thomson was the first to use it. The observers, including his pupil, Rice, were deeply impressed. One of them, Thomas H. McCollin, photographer and friend of Thomson, suggested that his friend, George S. Garrett, would like to see the machine. A demonstration was arranged and as the little group watched, Thomson remarked:

"I can build a better machine than this—much better. One that will give you all the lights you want."

"All right," said Garrett. "Do it. I'll stand the expense. Make a four-lighter."

It was virtually an offer to the professor to go into the business of producing an arc-lighting system for the market. He began work at once and, in March, 1889, his dynamo was completed. It was the progenitor of the Thomson-Houston line which held its own in the electrical market for years.

Regulating the dynamos

AT GARRETT'S suggestion, Thomson reconnected his machine and made it light nine lights instead of four. Soon after that, he discovered a method of regulating the current so that it would remain unchanged in volume no matter how many lights were in the circuit. This meant that individual lamps could be switched on and off at will without upsetting the current. It was a step forward in seven-league boots. Other systems, to accomplish the same result, adopted clumsy

methods; they introduced a large section of iron wire or maintained a reserve bank of lights at the power station, one of which had to be switched in when the circuit lamp was turned off.

By the time this was accomplished, Garrett and Thomson were doing a thriving business in the face of considerable competition. Many other companies were in the field. The Brush system was probably the leader but others were constantly experimenting and, for one of them, a young machinist accomplished an epoch-making achievement.

More efficient dynamos

HIS name was Jimmy Wood and his discovery was prompted by a remark of Hiram S. Maxim.

Maxim, who was himself interested in an arc-lighting system, was watching a plant in operation. Jimmy Wood remarked that the dynamo ran hot.

"Local action causes that," said Maxim. "Some of the power is wasted in friction, heat and windage. What power is left produces light. If someone could build a machine that did away with this local action, we could have

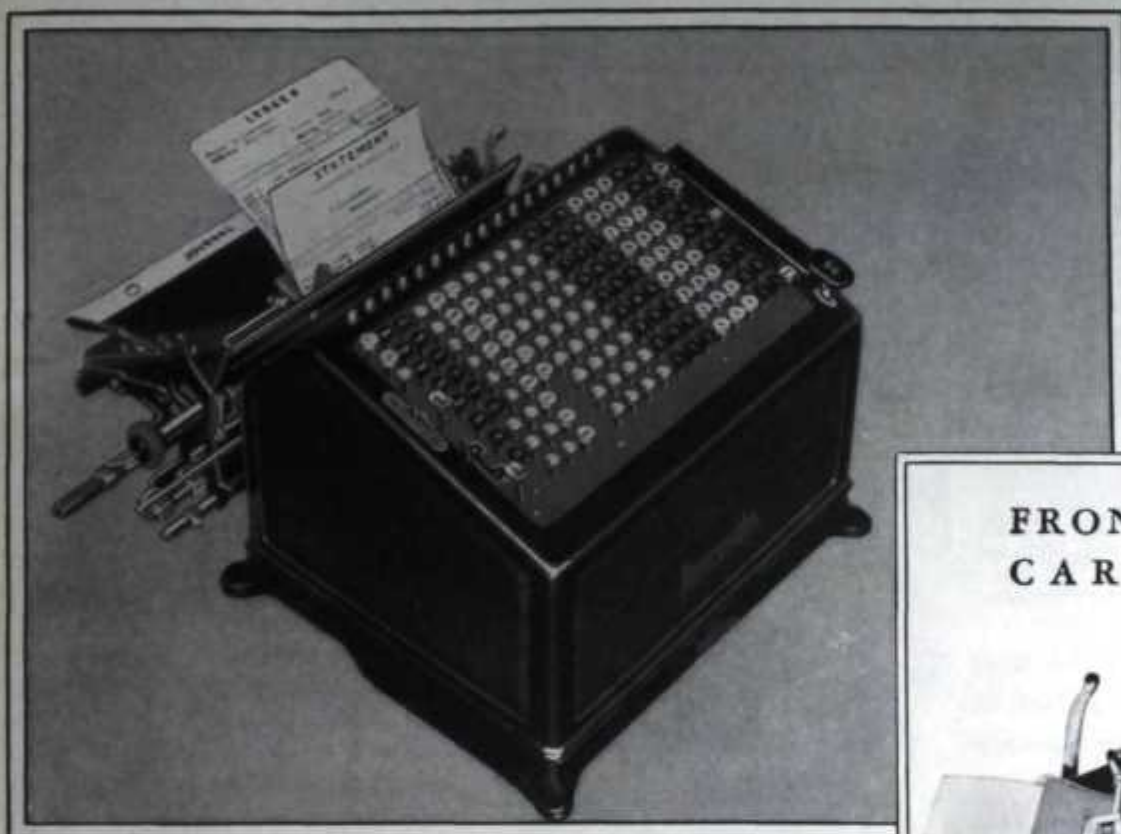


The Corliss Steam engine, marvel of the Centennial

Office and factory of the Telegraph Supply Company, 1877, later the Brush Electric Company

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more lights from the same amount of power."

Jimmy Wood was interested. For the next two years he devoted his spare hours to the construction of a dynamo that would reduce heat losses. In May, 1879, he appeared with a machine that weighed only 87 pounds, took but one horsepower to operate and gave the same power as much larger dynamos.

Officials of the Fuller Electrical Company saw it in operation. They recovered from their amazement in time to pay \$10,000 to Wood and a partner who had provided shop facilities and assistance.

With the patent rights, they scrapped their own dynamo, renamed the organization the Fuller-Wood Company, and made Wood's invention their chief stock in trade.

Smaller lights needed

BY THIS time, arc lights had been installed indoors as well as out. Sales activity was now following in the path blazed out by science. Promoters were making much of the advantages of interior illumination.

Salesmen went after the business of factories, hotels, theaters. But in doing so they said little about voltage. The weakness of the constant-current arc-lighting system, when applied to indoor usage, was its need for circuits carrying up to 3,000 volts.

When people spoke of electric lights, they meant arc lights. And the problem of the day was the "subdivision" of these lights. In other words, could any one break up a lamp of 2,000 candlepower into 20 smaller lamps of 100 candlepower each?

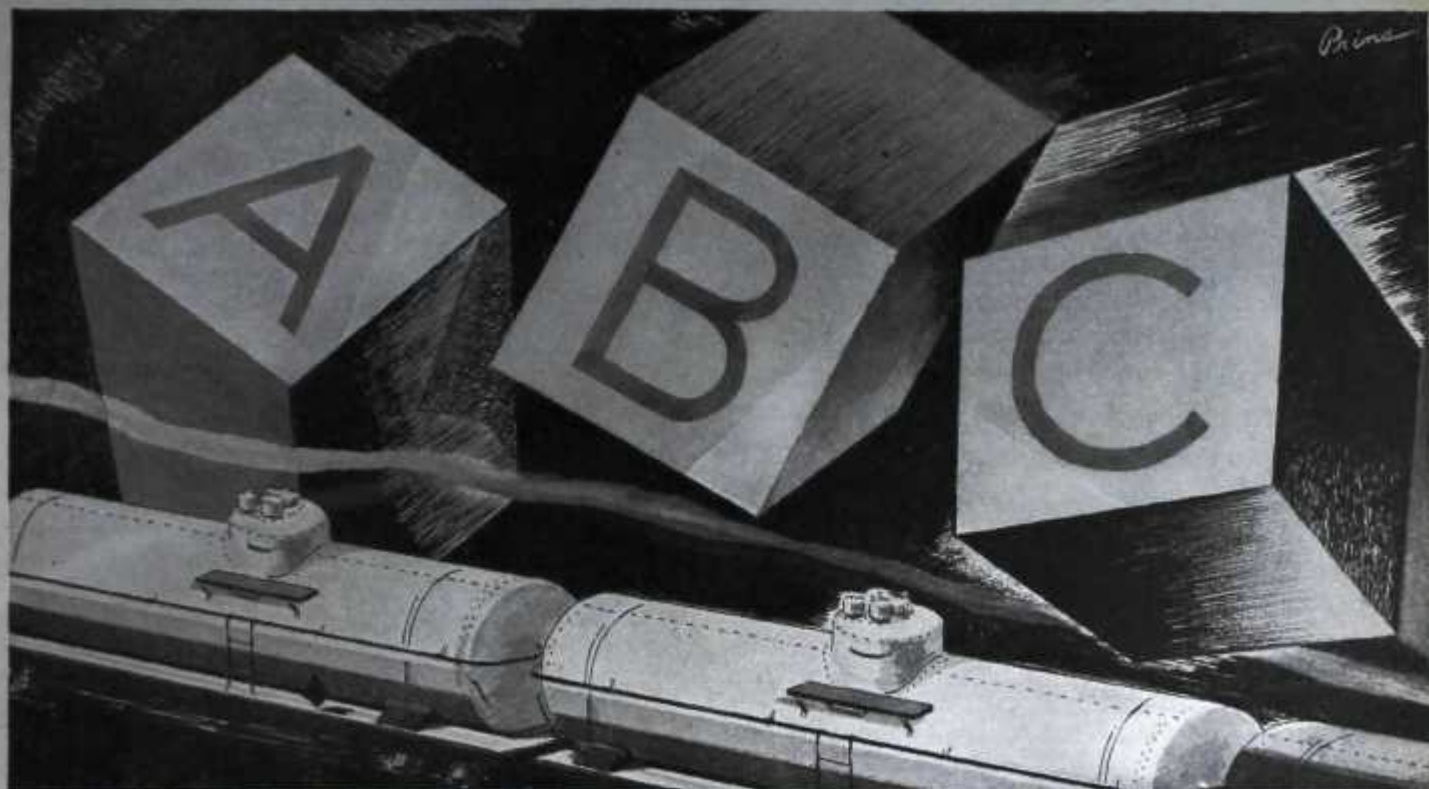
That, at that time, was the big problem of electricity as most men saw it. Yet, in a clapboard laboratory in Menlo Park, N. J., a man was working who would one day make the question of arc-lighting almost unimportant.

Edison enters electricity

THOMAS A. EDISON had already done great work with the phonograph and telephone and now his friends were beginning to seek for him an opportunity in electric lighting. Edison was already considering the field and had made some experiments in it—but, like most of his contemporaries, he felt the need of capital.

Grosvenor P. Lowrey, a loyal admirer and a staunch friend, committed himself to that. Lowrey was an able lawyer and a man of some influence. He took his appeal directly to J. P. Morgan, the

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Works Manager

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INDUSTRIAL BROWNHOIST

elder. Using all of his persuasiveness, he prevailed and the Edison Electric Light Company was formed October 17, 1878, with \$300,000 in capital stock subscribed by financial men of New York.

Tries incandescent lights

EDISON was now committed to experimenting with incandescent lighting. As far as experimentation was concerned, there was nothing new in that. For 60 years, some 26 inventors had labored fruitlessly at the same problem. And at the time Edison began his work, six or eight others were searching for the same answer.

Sleeping five hours a day, bending for hours at a time over his bench, fully grasping what seemed to be the impossibility of his task, he pursued the quest.

Edison's preliminary study included a thorough investigation of the gas business.

This convinced him that an incandescent electric lamp, to be operated in competition with gas, was economically possible. He set out to make it electrically possible but it was not until 14 months later, after hundreds of experiments had been made and \$40,000 had been spent, that a little group, gathered around a crude experimental lamp on a laboratory table, finally saw carbonized cotton thread flash the signal that the battle was won.

A lamp burned 40 hours

THE test started at about 8:30 in the evening, October 19, 1879. With Edison were Francis R. Upton, his mathematician; Charles Batchelor, his model-maker; John Kruesi, his machine-shop foreman; Francis Jehl, his vacuum-pump operator; Martin Force, his utility man, and Ludwig Boehm, his glass blower.

They stayed there through the night and until one o'clock of the second afternoon on October 31, 1879. Edison remained most of the time but left the vigil once at least to stretch on a nearby table and sleep with a book for a pillow.

When the glowing thread finally parted and the light went out he said simply:

"That's fine, boys, that's fine. If it will burn 40 hours now I can make it last a hundred."

The incandescent lamp was born, but, like most infants, it was not yet of much service to humanity.

This is the first of three articles on the early history of the electric industry. The second will appear in an early issue.

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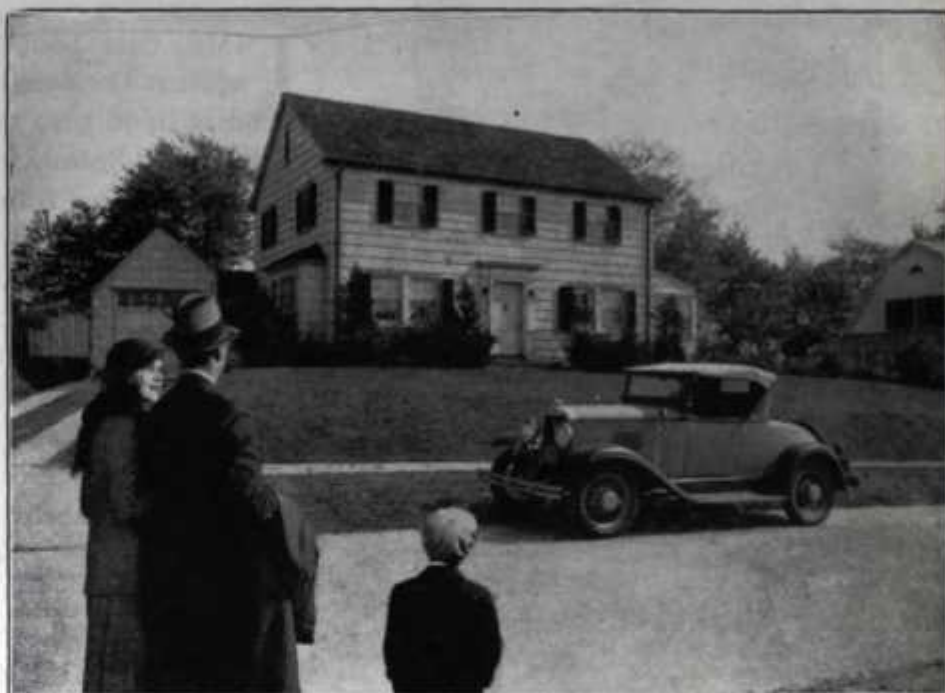
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Disaster Relief is Good Business

By WELLINGTON BRINK

- THE community's responsibility to those left destitute by accident or natural forces is no longer the simple one of supplying food and shelter. In our complicated civilization that is not enough. Here is a plea for common humanity voiced in sound economic terms

WITH TELE-PHOTO vividness disaster registers on the ledger pages of business. Muddy waters lap at the cashier's window even as they sweep through levees and across plantations. Flames gnaw at assets a hundred miles away as they devour homes and stores and warehouses.

Drought's slow devastation enacts a melodrama on the debit sheets while drying up creeks, wells and rural resources.

Yet, just as surely as business suffers when disaster strikes, business recuperates as relief and rehabilitation proceed.

When 600,000 persons were cared for by the American Red Cross in the Mississippi flood—housed, fed, equipped, started over in life—the effect proved exhilarating to the food, clothing, implement, lumber, seed and drug industries, to mention only a few of the lines involved.

When 2,765,000 men, women and children were left destitute by drought, the nursing back to physical and economic health was a two-fold affair—with business sitting on the other knee. And "business" meant employment, wages, jobs for hundreds of thousands of bystanders of the national tragedy.

When Columbus, Ky., a town of 600 population, was flooded repeatedly and it became apparent that disasters were, in its case, becoming chronic, the Red Cross got its engineers on the job, laid

out a model city 140 feet higher than the miscreant Mississippi, and moved houses, churches and other buildings three miles overland to a safer site.

Two lumber companies shut down, hard hit by the waters that clasped for months the town of Arkansas City, Ark. As a means of reducing the amount of dependency, the Arkansas Farm Credit Corporation, in cooperation with the Red Cross, made substantial loans en-

abling these concerns to resume operations. Thus, 675 employees went back on the pay rolls.

In storm-swept Florida in 1928 more than a million Red Cross dollars went for building materials and labor—four times as much as was spent for any other type of relief. The individual chose his own contractor or merchant. The Red Cross scrutinized the estimates and, in 3,624 cases, provided inspection services.

Relief by varied means

MODERN relief works with hammer, nails, saw and shovel. Wherever it goes, it leaves lessons in health, agriculture, economics.

It tries its hand at screening houses. It joins with health authorities in opposing malaria, typhoid and pellagra.

In drought's emergency the Red Cross distributed 605,422 packages of assorted garden seeds—an invitation to its beneficiaries to practise self-help.

The farm bread-line of 1930-31 represented the most extensive punishment by nature in the history of the United States. The wide column of hunger reached across 23 commonwealths. The work of the Red Cross in supplying the needs of this long queue of distress was the work of the American people, using the medium to which they have grown accustomed through 50 years of meeting disaster emergencies.

Here is an excerpt from a letter written by the president of an Arkansas Chamber of Commerce to his own Red Cross Chapter, which is typical:

"I am convinced that the timely arrival of the Red Cross relief aid enabled some to keep their doors open who, without this aid, would have found it impossible to carry on."



He told the Red Cross worker, "the second bottle of milk didn't last long, neither"

Planning Business Stability

IN a report which many business men consider may have far-reaching effects, the Committee on Continuity of Business and Employment, named last February by the president of the Chamber of Commerce of the United States, has announced its conclusions as to measures which may be immediately applied to ameliorate present conditions, long-time measures which may stabilize business in the future, and causes contributing to the intensity of the present depression.

Perhaps the greatest contribution of the 19 business leaders who composed the Committee lies in the long-time remedies they proposed for the intermittent fever which has long afflicted the business community, though these remedies of course must yield for the present to the first-aid measures urged for immediate relief.

Seek a national economic council

THESE long-time measures, put forward as a means of attaining a better balance between production and consumption and thus achieving a more orderly and progressive economic life, include amendment of the antitrust laws, creation of a national economic council, and inauguration by individual companies of employee benefit plans. In offering these measures the Committee pointed out that the period of extreme individualism in this country is past and that we have come to a stage in our social and economic development where national economy must be recognized as the controlling factor.

No suggestion that the antitrust laws be repealed was made by the Committee, its proposal being that these laws be amended only to such an extent as would permit:

1. Business concerns to enter into contracts for the purpose of equalizing production to consumption, provided such contracts are filed with some governmental authority, such contracts to take effect and remain effective unless the governmental authority having supervision finds on its own initiative or on complaint that such agreements are not in the public interest, in which event such agreements would be abrogated.

2. Businesses which desire to combine to find out from some suitable governmental authority whether such combina-

tion is prohibited by the antitrust laws.

Although the Committee suggested no details of legislation in connection with the latter part of its proposal, it expressed the view that such agreements should have full publicity and be carried on under governmental supervision and regulations to prevent extortion and unfair business practices.

The second long-time measure suggested by the Committee, that concerning a national economic council, envisages a body set up by business to act as an advisory board on such economic problems as ways of controlling and directing production so as to make it a benefit instead of a menace to prosperity, wage levels, various phases of foreign trade, and curbing of harmful speculation.

It was recommended that this council be composed of three to five members, representative of the country as a whole rather than of any particular constituency; that it be sufficiently financed to permit the employment of able economists and statisticians who would work in cooperation with governmental agencies and trade associations; and that, though organized through the initiative of the United States Chamber of Commerce, the body should be entirely independent of that organization in its judgment and conclusions.

Protection against the consequences of unemployment, sickness, accident and old age were the objectives set up by the Committee for the employee benefit plans it recommended. These plans should be based upon definite reserves previously established, it was declared, and a definite plan based upon the so-called Rochester plan was drawn and endorsed.

Compulsory insurance not desired

THE undesirability of any plan involving compulsory unemployment insurance was remarked, together with the necessary tendency of such compulsory plans to develop into a system of doles. Any proposal for unemployment insurance, the Committee pointed out, should be supplemented by the establishment of an efficient employment exchange.

Reference was also made to the comprehensive benefit plans recently advanced by Gerard Swope, president of the General Electric Company, and fa-

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CLEVELAND	HARTFORD	MILWAUKEE	ROCHESTER	WINSTON-SALEM
COLUMBUS	HUNTINGTON, W. VA.	MINNEAPOLIS	ST. LOUIS	YOUNGSTOWN

avorable comment was made on his recommendation that such plans should be adopted uniformly throughout the country in order that companies adopting them would not thus be placed at a competitive disadvantage with companies which fail to do likewise.

Individual planning in every industry where such planning is possible was the Committee's final recommendation as to long-time remedies. Much can be accomplished, it was suggested, toward preventing or mitigating the effects of seasonal depressions through adoption of company planning methods. Leadership in this movement, the Committee declared, rests with trade associations.

Local action on unemployment

WITH reference to steps toward meeting unemployment during the coming winter, the Committee stressed the necessity of local action for full development of opportunities for additional employment. Registration in every community of persons needing work, with a full record of their qualifications and, simultaneously, registration of work to be done was urged. Rotation of jobs by employers, carrying on of public works in a manner which will best support local employment, and undertakings by local governments of such work as can be done in the interests of public health, safety and comfort were among other steps recommended for meeting present unemployment.

Charitable contributions, supplemented by city, county and state funds, will be available on a larger scale this year to meet any distress that may arise where efforts to bring together workers and jobs prove inadequate, it was said.

Contributing causes of this depression, as in preceding ones, the Committee declared, have been war, catastrophe, undue expansion and excessive speculation. The latter two phenomena always accompany periods of unusual prosperity, it was pointed out, and have contributed to the intensity of the current depression. Specifically excepting legitimate activities of established commodity and security exchanges, the Committee urged such exchanges to take constructive steps to prevent and control manipulative activities. More stringent regulations affecting extension of credit should also be considered, to the end that temporarily prevailing prices of securities and other property should not be the basis of such extensions.

Another war would be even more serious than the last, the report concluded, and urged every possible step toward international disarmament.

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SINCE LAST WE MET

A Business Record September 11 to October 9

SEPTEMBER

11 • GREAT BRITAIN balances budget by new economies and tax increases—dole cut 10 per cent, income tax up to 25 per cent.

GOVERNMENT cuts forecast on wheat—8,000,000 bushels lopped off estimate of 885,643,000 bushels.

MONETARY gold stocks of United States pass \$5,000,000,000 mark for first time.

FEDERAL FARM BOARD sells 7,500,000 bushels of wheat to Germany on 3-year credits at price above \$3,750,000.

12 • TREASURY DEPARTMENT figures indicate a billion dollar rise in the public debt—trend seen toward total of \$16,000,000,000 by June 30, 1932.

260 CORPORATIONS show gains in second quarter over first quarter earnings.

14 • UNITED STATES will turn over \$23,000,000 to Germans in moratorium year under awards of German-American Mixed Claims Commission.

15 • GERMANY'S August trade balance highest since the war. Curb on imports sets record of \$77,000,000 export surplus.

ROCKEFELLER "Radio City" project, New York, places \$55,000,000 mortgage to finance construction. State gets \$325,000 in taxes on record loan.

16 • GERARD SWOPE, General Electric head, proposes voluntary organization of each industry into national trade association to stabilize production and consumption.

TARIFF of 33½ per cent announced as chief plank of British Conservative Party.

17 • UNIVERSAL Pictures Corporation rescinds 15 per cent pay cut affecting 1500 to 1800 workers since last May.

UNITED STATES imports in August total \$166,000,000. Exports at \$165,000,000 first unfavorable trade balance since 1926.

18 • RAILROAD operating revenues for seven months, 1931, are tabulated at \$2,564,583,852—18.6 per cent below corresponding period, 1930.

TREASURY reports income tax receipts through September 16 at \$153,407,800 compared with \$107,821,800 for similar period, 1930.

19 • MANUFACTURING industries show drop of 3 per cent in employment, July to August, and 1.1 per cent in pay rolls.

SECOND anniversary of end of the "Coolidge market" sees lowest stock price levels since 1924. \$50,000,000,000 loss in two years.

20 • GREAT BRITAIN suspends gold payments, raises discount rate to 6 per cent to halt drain of sterling.

WHITE HOUSE announces federal construction to relieve unemployment will total \$1,613,481,000 by July, 1932.

21 • PRESIDENT HOOVER tells American Legion that bonus drain on Treasury would retard prosperity.

TEXAS enacts bill to effect 50 per cent cut in state's cotton plantings in 1932 and 1933.

POUND sterling declines to \$3.71, lowest since September, 1921; rallies to \$4.20 at market close.

22 • UNITED STATES STEEL Corporation cuts wages 10 per cent; affects 220,000. Bethlehem Steel takes similar action on 50,000 incomes. General Motors slashes salaries 10 to 20 per cent.

UNITED STATES RUBBER Co. accepts five-day week as "normal working schedule."

GIANNINIS lose control of Transamerica Corporation, holding company for nationwide bank chain; Lee, Higginson interests gain rule.

FOREIGN banks buy \$116,600,000 in gold from United States stock of \$5,000,000,000—largest single day's loss in history.

RADIO suits ended by patent accord—21 concerns join with RCA for pooling of rights under licenses.

23 • DOWNWARD revision of wages undertaken by leading steel firms affecting 100,000 in Pittsburgh alone.

24 • NEW YORK CITY borrows \$51,000,000 for three months at record low rate of 1½ per cent.

25 • ANACONDA COPPER omits dividend after cutting salaries and wages.

26 • ITALY raises tariff additional 15 per cent by blanket increase.

27 • SEVERAL companies announce that employees purchasing stock under a greater than market value may cancel subscriptions.

28 • STEEL prices not to be reduced, according to authoritative opinions.

SWEDEN AND NORWAY drop gold basis, with gold exports prohibited and higher discount rate.

29 • COTTON prices drop to lowest level in 1931.

AUGUST automobile output slumps to 187,197, smallest figure since last January.

30 • POSTMASTER BROWN announces he will ask postage increase on first-class mail.

ALBERT H. WIGGIN, head of Chase Bank, the world's largest, urges debt and tariff cuts.

OCTOBER

1 • AUGUST job level 12 per cent below 1930.

RAIL INCOMES for August off 40 per cent from year ago.

2 • TREASURY receipts continue to drop. First quarter of fiscal year \$243,000,000 below 1930.

NATIONAL CITY BANK plans to assume control of Bank of America, creating world's second largest bank.

CONVERSION of \$10,000,000,000 war loan to lower interest rates authorized by English Parliament.

CHEMICAL manufacturers adopt 6-hour day to spread work.

A. F. OF L. recommends hiring of two more men by every American employer, which would give jobs to 3,000,000.

4 • U. S. CHAMBER directors recommend restrictions on short selling.

EASTERN roads present four-system merger plan to Interstate Commerce Commission.

5 • U. S. CHAMBER unemployment committee releases results of study and recommendations.

6 • \$500,000,000 rediscount corporation set up by bankers, according to President's suggestion, to relieve banks with frozen assets.

8 • POSTAL savings up \$41,288,000 in month.

RAILROAD income off 41 per cent in month.

9 • PLANS for huge credit pool completed. Stocks and bonds advance on broad front. New York rediscount rate raised to 2½ per cent.

Tips

These most valuable booklets of the week will be sent free to executive readers who make a separate request for each one on their business letterheads. Booklets will be mailed by the companies which publish them.

Address SALES MANAGEMENT, Inc., Reader's Service Bureau, 420 Lexington Avenue, New York.

Markets and Media:

The Southwest Market. Many of the marketing strategists who are now engaged in shuffling their distribution centers for more effective development of growing markets will want to study Industrial Dallas' timely contribution to marketing data. This is a handsome book of 145 pages devoted to the history, present status and potentialities of the Southwest. It presents population and county buying power figures, describes the manufacturing, warehousing, distributing, transportation factors and development tendencies which make Dallas a point to merit the most earnest consideration of the alert manufacturer. The chapter on Texas corporation laws is an unusual feature of the study, and an insert of four-colored state maps showing distribution of retail outlets, distribution of spendable money income, distribution of population and rail service from Dallas add to its value.

From
Sales Management, August 22, 1931

Dallas

Southwestern Headquarters
to American Business



Thank You, Sales Management!

Your reference to "marketing strategists who are now engaged in shuffling their distribution centers" is significant. During the last two years, when many branches were being closed in other sections, Dallas has gained more than 400—factories, warehouses, sales branches. And the movement goes on, with a gain of 168 for the first eight months of 1931.

The reasons are simple—new conditions have compelled executives to study their markets more minutely, and to rearrange their facilities to reduce distribution costs and maintain closer contact with major market areas. Much new market data has recently become available, all of it pointing to tremendous increases in population and buying power in the Southwest, and to still greater possibilities for the future.

"The Southwest Market" explains why Dallas has been chosen by more than 2,500 concerns as the location for their facilities to serve Texas and adjacent States. It is available, without obligation, to any interested executive. Write on your letterhead, or use the coupon.

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How Not to Operate the Telephone

WHENEVER enthusiastic friends tell me how much better off we shall be when the Government owns and operates the telegraph, telephones, railroads and other public utilities, I recall my first use of a government-owned and operated telephone in Japan. I asked the clerk at the Grand Hotel, Yokohama, if he could get me the American Embassy at Tokio.

"Yes," he said, "but it will take 30 or 35 minutes."

"But it's 12:40 o'clock now," I said, "and my friend goes out to lunch at one. We'd better let the call go."

"Oh, too bad!" said the clerk politely. "But perhaps you would care to make an express call, which goes ahead of all ordinary business. You pay double rates but you get very quick service."

"Good!" I exclaimed. "Let's get him with an express call."

Nine minutes, 18 miles

I NOTED the time. It was just 12:41. The clerk gave the number, then stood patiently holding the receiver to his ear—one minute, two minutes, three, four. Six minutes passed, and not a word from Tokio, only 18 miles away, on a trunk line. At last, after nine minutes of waiting, the express call was put through.

That was before the earthquake, and I know that many improvements have been made since, and that telephoning in Japan today is on a par with the service in any European country. But just the same, when any dreamer tells me how much better our people will be served by government-owned lines of transportation or communication, the picture of that clerk comes to mind, waiting nine tiresome minutes to complete an express call at double rates.

The colors in the picture are deepened by the fact that the Japanese work for their Government with a zeal that few Americans can equal. Many a Japanese gentleman is proud to be a policeman at half the pay he could earn elsewhere, because he not only can wear a sword but has the honor of serving his revered Emperor.

With free and independent Americans, not overburdened with reverence for Uncle Sam, administering public service on the political plan—it is not hard to imagine what would happen to the customers.

—W. O. INGLIS

When you "Let the laundry do it"

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Modern laundry practice is constantly being improved by the educational, research, and service work of the American Institute of Laundering, "the million-dollar proving ground of the laundry industry." The International truck illustrated is in service at the Institute headquarters at Joliet, Illinois.

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IN constantly increasing numbers modern women are sending their washing to the laundry, because present-day laundry service is better than ever before. Better on two counts... quality of work, and dependability of delivery service.

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Campbell Laundry Company of Milwaukee. Down in Memphis, the New Snow Flake Laundry had to spend only something under \$12 for all maintenance work on each of 8 trucks during the sixth year of operation. New York's Consolidated Laundries use 55 Internationals; Chicago has 28 large fleets, in addition to the many trucks operated by the smaller laundries; nearly one hundred are working for Atlanta Laundries, Incorporated; and there is even a large laundry fleet of Internationals operating among the palms in Honolulu.

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Back to Our First Principles!

By HIRAM BINGHAM

United States Senator from Connecticut



THE lessons learned during a century and a half of struggle for political, economic and religious freedom were drawn upon in the drafting of our Constitution. Its principles were dictated by sound reason and deep knowledge of the strength and weaknesses inherent in human nature. We should not lightly cast them aside, says this experienced law-maker

THE PRINCIPLES of government as laid down in the Constitution are fundamentally those of individual freedom as opposed to paternalism or socialism, and of representative government as opposed to pure democracy.

Admired and praised as one of the most remarkable documents ever drafted, the Constitution has served as the basis upon which the United States has grown from a small, unimportant, loosely knit collection of 13 newly created states to one of the world's most powerful nations.

The Constitution was the result of the political thought and experience of the citizens of 13 English colonies, a fairly homogeneous group. Their experience in search of political, economic and religious liberty covered a period of more than 150 years. They understood the common law. Nearly all of them looked back to the English struggle for parliamentary government. They were self-reliant. They were proud of the rights they had obtained which enabled them to have a large measure of local self-government.

The lessons which they had learned made them eager to avoid the tyranny and despotism of a strong, central government. At the same time, in self-defense, they were obliged to give the central government sufficient power to provide for an army and a navy and for dignified dealings with foreign lands. At the time the Constitution was written, one had neither to stress the importance of liberty and the dangers of bureaucracy nor to explain the discomforts of tyranny and despotism.

Times have changed vastly since then. Today we are actually suffering from too much government, a fact which, however, fails to deter many good people from urging still further amendments to the Constitution to give the Federal Government even more power.

They see the immediate benefits of paternalism. They fail to appreciate its deadening quality.

Looking to paternalism

IN THE past 60 years millions of Europeans have come to our shores. For the most part they did not have the same background of law nor did they appreciate the advantages of local self-government as did the colonists who framed and adopted the Constitution. Hence millions of American citizens today have a racial and historic background which leads them to look to a paternal government for guidance and support. To many of them the benefits of American liberty have been in large part the avoidance of compulsory military service and a flexible social and economic system which offers financial independence and social prominence to those with wit, wisdom and ability. Many of them do not understand the fundamental importance of maintaining those principles of the Constitution which favor individualism, representative government and the retention by the states and their citizens of powers not explicitly granted to the Federal Government.

They are not alone in this. Many citizens, descended from colonial stock, are willing to sacrifice state rights and personal liberty for the sake of greater

efficiency in government, larger contributions from the United States Treasury and the enforcement of worthy ideals by law rather than voluntarily by public opinion.

Emotion rather than sound reason has prompted much of the legislation which has been earnestly sought by organized groups of well meaning citizens. In many cases our legislators, carried away by emotional pleas, have created bureaus which have issued regulations depriving us of our liberty in the name of efficiency and uniformity.

The late President Hadley of Yale once said that "while the men of emotion may sometimes be right and the men of reason wrong, the chances in matters of legislation are most decidedly the other way. It is safe to say that the harm which has been done by laws based on unemotional reasoning is but a drop in the bucket compared with that which has been done by laws based on unreasoning emotion. The good which state interference does is often something visible and tangible. The evil which it does is much more indirect, and can only be appreciated by careful study. Nothing can be more fatal to that efficiency of public opinion on which all good government rests than the habit of fixing our eyes on immediate consequences instead of permanent causes, or of giving to the emotions of a body of witnesses the dignity of the deliberate judgment of a court."

These words are just as true today as when they were written. It is difficult to oppose legislation which will grant some immediate relief, either of an economic, moral or physical character, or which will correct some obvious abuse. It is difficult because the immediate end is seen to be good and few people care to bother about the ultimate result. In fact, it is frequently hard to see the more remote consequences.

Whenever the Constitution stands in

(Continued on page 98)

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A Wage Bonus Plan That Works

WAGE incentives are of vital importance in industry where maximum production is required. Two outstanding wage incentive systems are piecework and bonus.

Individual and group piecework have been in vogue at the Buick plants for a number of years. Group piecework was not quite satisfactory because, where a large number of men were employed in a group, the degree of skill required or the responsibility was not equal. Under group piecework each man in the group received the same pay regardless of his contribution to the finished unit.

A modified plan for Buick

AFTER an analysis of group piecework and bonus, the bonus system was seen to have many advantages in fairness to both the company and the employees. A bonus system, modified to fit into Buick operations, was called the "Buick Wage Bonus Plan." All operations in the entire plant were graded according to skill required or responsibility in such a manner that similar operations in the various plants were grouped together and an adequate base rate established by the management. The plan was discussed thoroughly by the management and the men themselves were given an opportunity for comment.

The method of computing efficiency was to multiply the standard time allowed the group for single unit or assembly by the number of pieces produced and divide by the number of hours worked. Under this plan the average earnings per hour per man were appreciably increased.

The Buick Wage Bonus Plan has been in use approximately eight months. The advantages are very apparent in increased quality of work produced, better satisfied operators because of proper compensation being possible to each operator and less clerical expense to the Company in maintaining the system.

Scrap has also been materially reduced since community spirit makes each and every man eager to see to it that carelessness in workmanship in his group is reduced to a minimum. A striking feature of this plan is that a greater degree of pride of workmanship has been aroused in the men.

—D. W. OVIATT, *Efficiency Engineer, Buick Motor Co.*

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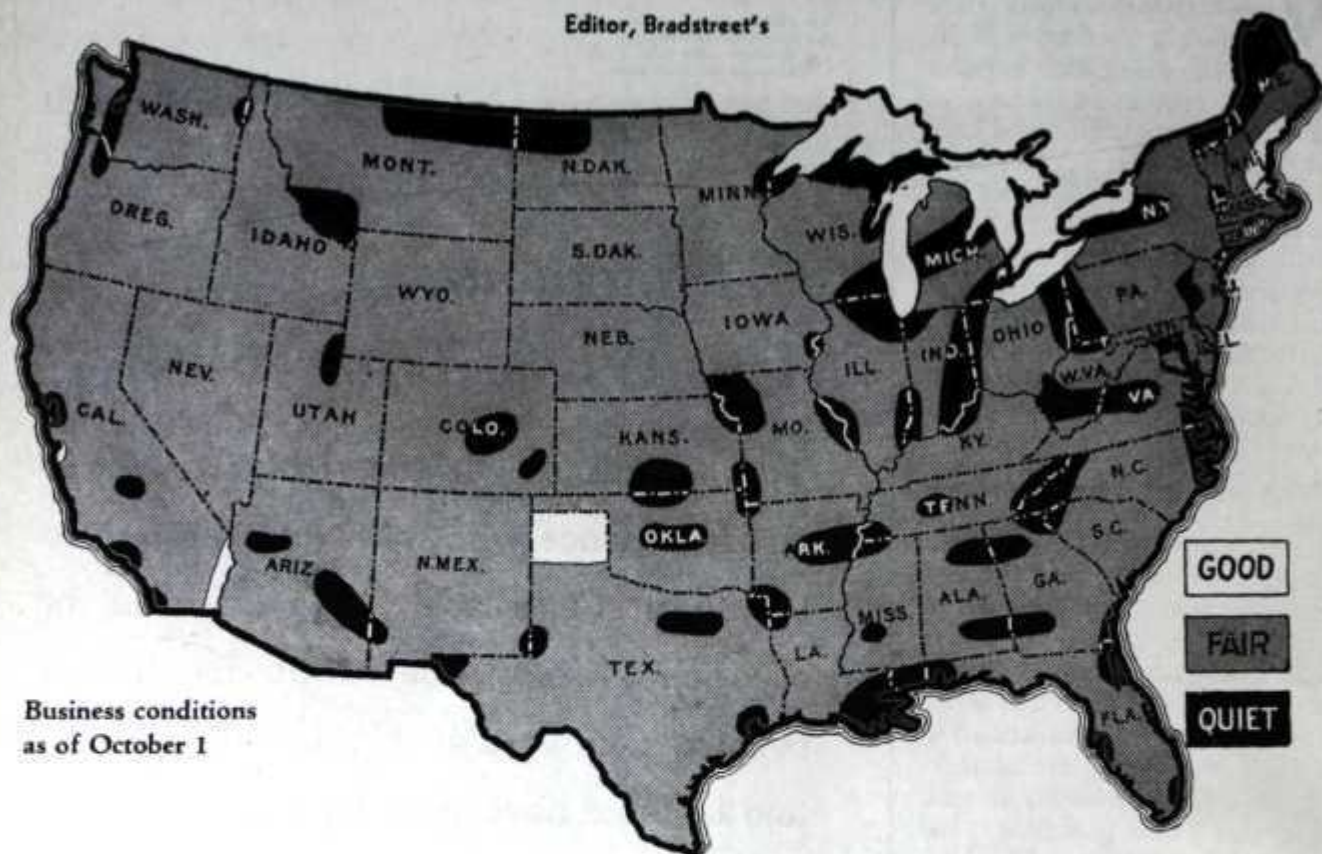
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The Map of the Nation's Business

By FRANK GREENE

Editor, Bradstreet's



Business conditions
as of October 1

FINANCIAL news from Europe made history during September and had its repercussions in our own securities markets. Expected expansion of retail trade was checked by warm weather

SEPTEMBER'S chronicle of events affecting business was a long and a weighty one. Important international occurrences included:

The temporary suspension of the gold standard in Great Britain, the Scandinavian countries and others which were forced either to consider or to adopt dollar exchange as a basis for international trade.

The changing over of the British ministry from a Labor government to a National cabinet.

The decision to reduce the dole in Britain.

The pushing of silver to the front as a possible contestant with gold as a money metal or to supplement gold in countries which had abandoned it earlier.

The large takings of gold by Europe from this country.

The reported advance in prices of commodities in England and the reverse of this as to prices in this country.

The changing of several South American countries from a sterling to a dollar basis.

The apparent stoppage of Chinese civil strife in the face of a reported threat from Japan.

At home our stock markets were quick to respond to these alternately depressing and enlivening elements. The tendency to fall was in control at the month's end and comprised part



The map of
last month



The map of
a year ago

Few changes occurred in the September business map from that of August. Trade was largely static in the interval and though crops gained, their prices waned

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TO INSURE profits nowadays, manufacturers must distribute their merchandise with maximum efficiency and at minimum cost. Many of America's industrial leaders—including the R. J. Reynolds Tobacco Company—have found that the use of public warehouses improves their distribution and at the same time lowers their cost.

L. F. Owen, Traffic Manager of the R. J. Reynolds Tobacco Company, says: "We use AWA Warehouses from coast to coast for the distribution of Camel Cigarettes and Prince Albert Smoking Tobacco, 'The National Joy Smoke'. We have found that by using public warehouses we are able to give our customers quicker service and thereby save considerable time in transportation; and, incidentally, have cut down loss and damage claims to a very low minimum."

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**AMERICAN
WAREHOUSEMEN'S
ASSOCIATION**

1940 Adams-Franklin Bldg., Chicago, Ill.

of the fifth important outburst of liquidation since September, 1929.

Large American industries apparently abandoned the effort to maintain scales or rates of wages. Wages of hundreds of thousands of workers were cut, the iron and steel industries leading. Important changes of control of big banking interests followed the sharp decline in some stocks and there was a notable easing off of commodity prices with new low levels registered for most products of manufacture and of agriculture.

Hot weather was cited as a reason for delayed expansion of retail trade, while wholesale trade hesitated and both branches showed less than normal expansion. Industry and collections actually declined. Railroad interests finally reached agreement on the make-up of respective systems of eastern carriers while waiting for a decision on their

appeal for higher rates. Export trade from this country, at the lowest point in years in August, was disturbed by the new conditions facing it. Imports, similarly at a low point, were expected to expand because of changes in monetary conditions.

Altogether September was a "high frequency" month in business but there was a feeling that the air was being cleared and that the situation generally was no worse if not indeed better for the bringing into the open of the various troubles. To an increasing extent, men of experience and judgment are stressing the need of a saner view of the actual situation and the fact that in the stock market, which gets credit for depressing all other lines of endeavor, prices are in many cases down below real values. Commodity prices, they are pointing out, are in most cases certainly

BUSINESS INDICATORS

Latest Month of 1931 and the Same Month of 1930 and 1929
Compared with the Same Month of 1928.

	Latest Month Available	Same Month 1928=100%		
		1931	1930	1929
Production and Mill Consumption				
Pig Iron	Sept.	38	74	114
Steel Ingots	Sept.	36	66	109
Copper—Mine (U. S.)	Aug.	51	73	103
Zinc—Primary	Sept.	43	82	108
Coal—Bituminous	Sept.*	72	88	106
Petroleum	Sept.*	80	93	114
Electrical Energy	Aug.	103	107	111
Cotton Consumption	Aug.	86	71	108
Automobiles	Sept.*	31	50	98
Rubber Tires	July	71	59	93
Cement—Portland	Aug.	72	95	99
Construction				
Contracts Awarded—37 States—Dollar Values	Sept.	42	55	77
Contracts Awarded—37 States—Square Feet	Sept.	38	52	78
Labor				
Factory Employment (U. S.) F. R. B.	Aug.	75	87	104
Factory Pay Roll (U. S.) F. R. B.	Aug.	63	80	107
Wages—Per Capita (N. Y.)	Aug.	90	97	102
Transportation				
Freight Car Loadings	Sept.*	65	84	102
Gross Operating Revenues	Aug.	65	83	105
Net Operating Income	Aug.	44	75	110
Trade—Domestic				
Bank Debits—New York City	Sept.	52	71	130
Bank Debits—Outside (X)	Sept.	71	90	110
Business Failures—Number	Sept.	118	120	96
Business Failures—Liabilities	Sept.	119	138	101
Department Store Sales—F. R. B.	Aug.	84	95	104
Five and Ten Cent Store Sales—4 Chains	Sept.	96	99	101
Mail Order House Sales—2 Houses	Sept.	89	104	124
Trade—Foreign				
Exports	Aug.	43	79	100
Imports	Aug.	48	63	107
Finance				
Stock Prices—30 Industrials	Sept.	50	97	152
Stock Prices—20 Railroads	Sept.	41	91	127
Number of Shares Traded	Sept.	56	57	111
Bond Prices—40 Bonds	Sept.	94	101	96
Value of Bonds Sold	Sept.	152	115	110
New Corporate Capital Issues—Domestic	Sept.	18	90	168
Interest Rates—Commercial Paper, 4-6 Months	Sept.	34	54	110
Wholesale Prices				
U. S. Bureau of Labor Statistics	Aug.	71	85	99
Dun's	Sept.	70	86	99
Fisher's	Sept.	69	84	96
Retail Purchasing Power, 1923=100%				
		Aug. 1931	Aug. 1930	
Purchasing Power of the Retail Dollar		116	106	
Purchasing Power of the Clothing Dollar		127	112	
Purchasing Power of the Food Dollar		122	102	
Purchasing Power of the Rent Dollar		123	113	

* Preliminary.

(X) Excludes Boston, Cleveland, Chicago, Los Angeles, Phila., Detroit, San Fran., and New York.

Prepared for Nation's Business by General Statistical Division, Western Electric Co.



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close to the bottom for all modern times.

While the value of the securities on the Stock Exchange in September declined by some eight billion dollars and did not equal the depreciation of \$10,700,000,000 in October of 1929, the percentage of decline was heavier because of the lower price level from which it was reckoned.

Observers pointed out that there had been five selling waves since the start of the slump in September two years ago. On each of four rallies about half of the preceding decline was regained but the rallies have grown shorter. Before September ended a calculation was made that the loss in value represented was some 50 billion dollars or 60 per cent from the market value of early September, 1929. Another observer pointed out that 25 per cent of the securities dealt in on October 3 sold at below \$5 a share and 44 per cent sold at below \$10 a share. Dividends were being paid on 15 per cent of those selling below \$10 a share, with yields ranging from five to 60 per cent where paid.

Unfavorable trade balance

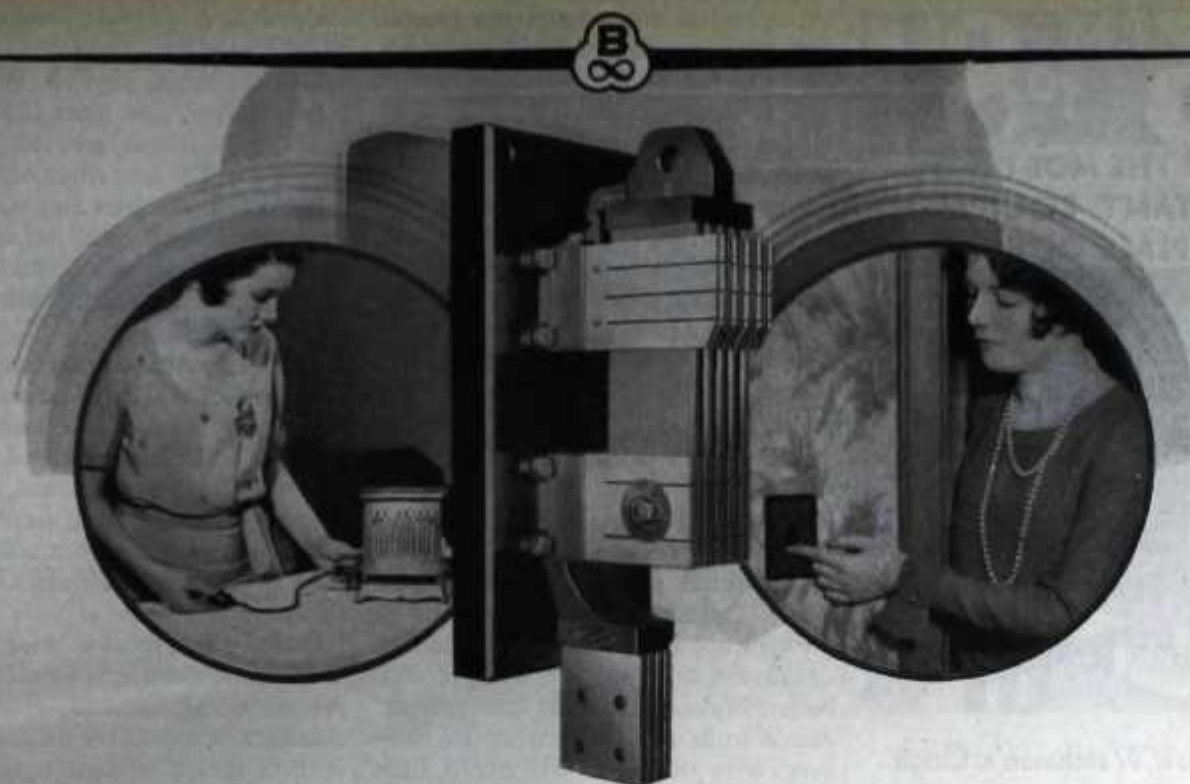
EXPORTS in August were the smallest since September, 1914, and imports were the smallest since November, 1915. Exports fell to 165 million dollars, a decrease of 44 per cent. Imports fell to 166 million dollars, a decrease of 23.9 per cent from the like month a year ago. Exports were off 56 per cent and imports 55 per cent from August, 1929. For eight months, exports were 37 per cent and imports 33 per cent lower than in the same period of 1930, with totals of both the lowest since 1914 and 1915 respectively.

Fifty-one per cent of our exports and 25 per cent of imports for eight months were finished manufactured goods. August grain and cotton exports were only one-third of those of last year.

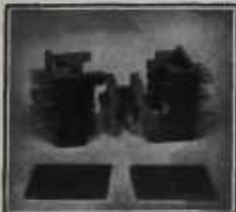
While all farm produce moved to new lows, the relative strength of wheat prices attracted some notice and gave rise to rather more optimistic views of this cereal for the long pull. True, wheat prices eased off in the general weakness and new low ranges were visible in the deferred months, but two factors operated to lend some support.

First of these was the realized reduction of area devoted to this grain in the southern hemisphere this year, with the prospect that the winter-wheat area in this country will be voluntarily reduced, perhaps 12 to 16 per cent.

The second factor was the fact that with wheat so low, the tendency is toward a heavy utilization of this grain



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for animal feeding. As to the general crop prospect it may be said that averages are not as truly descriptive this year as in others. The big gains will be furnished by a relatively few crops, such as winter wheat, corn, cotton and apples. Spring wheat, oats, barley, beans and sugar beets show large decreases and potatoes, tobacco, hay and rice only small changes. While cereal crops as a whole show a good gain in the aggregate over 1930 the yield of corn alone more than explains the total increase.

Farm prices too low

THE trouble with the farm situation this year, however, is not one of yield but of prices paid for the crops as a whole. The tonnage of feed crops is 14 per cent above a year ago and tonnage of all crops is perhaps ten per cent better. Prices paid for all farm produce except fruits as of September 15, however, were the lowest on record since 1910, according to the Agricultural Department. Many were lower than in any year since 1893, the previous low year.

Wheat prices on the farm in September were nearly 50 per cent below a year ago, corn prices were less than one-half those of last year, prices for meat animals were the lowest since 1911-1912 and hog prices were 42 per cent below a year ago. The general farm product index was 72 as compared with 75 on August 1, this year, and 111 on September 15, last year, a drop from the latter point of a full third.

The iron and steel trades have been at close to low ebb all year, but in late September, after the wage reductions, the capacity employed rose a little. The effects of the "staggered" employment, in operation among some leading industrial companies, may be understood when it is said that employment statistics as a whole for August showed a decline of 21 per cent from a year ago, while pay rolls fell 37.2 per cent.

Steel scrap index prices were the lowest since 1914. Structural material, mainly on big public works, showed the best situation of the leading lines of steel. Unfilled steel orders of the leading interest, which at the end of August stood at 3,169,000 tons, were nearly a million tons below those at the end of January. They were only 400,600 to 489,000 tons below those on August 31 in the years 1930, 1929 and 1928, however, and only 27,000 below those on the like date in 1927. Production of steel ingots by the entire industry was 18,854,000 tons in the eight months of 1931 as against 29,561,602 tons in the

like period of 1930 and 38,825,943 tons in 1929.

The country's pig-iron production fell off 40 per cent from 1930 for the eight-month period and 52 per cent from 1929. The first effect of the wage reductions in the iron and steel trades was unsettlement, based on consumers trying to get price concessions based on these reductions. Some lines actually did soften a trifle.

The importance of steel scrap as a barometer of the iron and steel trades is receiving increased attention with the years. It has been calculated that the proportions of new iron and scrap entering into steel making have changed from 75 parts of new iron and 25 parts of scrap in 1912 to 57 and 43 per cent respectively in 1929.

Before this appears in print there will be held in this country a meeting of important world interests in copper, including representatives of African and Spanish mines, to consider the world's overproduction of copper. This has resulted in unprecedentedly low prices for the product, seven cents at New York.

Production of petroleum, because of proration, is decreasing in this country while consumption is increasing. In August petroleum consumption gained 4.7 per cent, and gasoline consumption 5.4 per cent, over the like month a year ago.

This year so far has seen a record number of bank suspensions, closings and mergers. It is practically certain that last year's twelve-month record of 1,345 bank suspensions will be surpassed this year.

Railway earnings down

PRELIMINARY estimates of August railway earnings pointed to a decrease of 21.9 per cent from August, 1930, in gross receipts and of 37.3 per cent from August, 1929. August gross receipts on roads reporting fell 17.3 per cent from July.

The fact that the American Federation of Labor at its convention adopted suggestions for shorter days, fewer hours and suggested employment of millions of the idle has rather obscured another subject of discussion at the convention. That was the proposition to precipitate what are called jurisdictional strikes where nonmembers of the Federation's various building trades are employed.

The employers in the building and construction lines countered with the threat of an open-shop policy saying that with building in its present condition, it is no time to start strikes.



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Modern business buildings are installing American Air Filters to protect stocks, equipment and employees from dirt-laden air. Modern hospitals are using them to make the air in every room and corridor as sterile as the surgeon's instruments. Modern schools are raising standards of attendance and scholarship by this sure method of air purification. Even in the home, the small *Airgard* protects fine furnishings, bans noise and safeguards health.

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On the Business Bookshelf

THOUGH written to prove a solitary point—that the United States postal service is intended for service without regard to a balance of revenue and expenses—"United States Postal Policy," by Representative Clyde Kelly, is at the same time an interesting history of our postal service.

The penultimate chapter is a projected policy for the future of the postal department. In it we find:

"In 1930, this organization handled 17,000,000,000 pieces of first-class mail, with marvelous precision and with every letter carried under effective safeguards. It did this at a directly apportioned cost of one and seventy-three one hundredth cents for each letter. . . . And in this average cost are included letters sent across the ocean to Hawaii, or to the Philippines, by steamship or to the northernmost limits of Alaska by dog sled. No other postal service in the world approaches such service at such cost and no private business would even attempt to compete with it if the same service were demanded."

In 1885 Congress reduced postal rates and trusted to increased volume to offset the loss. Congressman Kelly predicts that in 3 to 5 years increased use of the postal facilities will have increased the revenue enough to eliminate the deficit. And, he argues, "there should be a reduction rather than an increase in the present rate."

The "apportioned cost" figures used by Representative Kelly are doubtless based on the Cost Ascertainment Report of the Post Office Department, which admittedly is based on a mathematical calculation and does not assign to first-class mail an adequate share of the charges for the special service of expediting first-class matter.

Representative Kelly is a member of the House of Representatives Committee on Post Offices and Post Roads.

"LIVING costs for wage-earners," according to "The Cost of Living in the United States 1914-1930," "were definitely lower in 1930 than they have been

¹United States Postal Policy, by Clyde Kelly. D. Appleton and Company, New York, \$2.

²The Cost of Living in the United States 1914-1930. National Industrial Conference Board, Inc., New York, \$3.

Teletype slashes inventory, minimizes errors for Hudson

ONCE again Teletype demonstrates its value to the mass production manufacturer. Just as it does for Auburn and Studebaker, as well as for manufacturers in many other lines, this remarkable machine that type-writes by wire cuts inventory and greatly reduces errors for the Hudson Motor Car Company by making possible much closer production control.

Says an executive of the company: "Teletypewriter service has entirely replaced our old method of controlling production through written orders delivered by messengers. It permits us to feed parts to the assembly line as required directly from production, thus doing away with the need for reserve stocks. This has reduced our inventory by many thousands of dollars and has released much valuable storage space for production purposes.

"22 Teletypes located at strategic points enable us to make sure that the finished car corresponds in every

detail to the dealer's specifications. This is not a simple matter, as Hudson and Essex motor cars offer the buyer some 200,000 possible options. However, with Teletype any question which arises can at once be flashed to the planning department and as quickly answered. Clearly typed messages at both ends greatly reduce the chance for errors."

As its name implies, Teletype sends typewritten messages over telephone wires at a speed of 60 words a minute. Any letter or figure typed on the sending machine is instantaneously and accurately reproduced by the receiving machine, both of which make a typewritten record for filing. Machines can be used for transmitting messages in either direction, and can be operated with ease by anybody who knows how to use a typewriter.

Teletypewriter service is invaluable within large plants, as well as between widely-separated offices and factories, warehouses or branches. For further information consult your local telephone company or write the Teletype Corporation, 1400 Wrightwood Ave., Chicago.



Above—Central control Teletype of the Hudson Motor Car Company, Detroit, through which planning department advises the production departments in what order to deliver motors, chassis, transmissions, wheels, etc., to the assembly line.

Right—Sending and receiving Teletype in the body department, where the sequence in which orders will be filled is determined.

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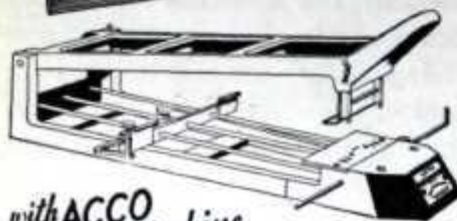
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for a number of years past." However, the decline in living costs up to December, 1930, "has probably not been so pronounced as many persons may have been inclined to believe on the evidence of the drastic price reductions in some merchandise."

The year 1930 marked a definite downward movement in the cost of living. "The cost of living in 1930 as a whole was 3.8 per cent lower than in 1929, and, since in 1929 the cost of living averaged exactly the same as in 1923, it was also 3.8 per cent lower in 1930 than in 1923."

Food prices in 1930 were 6.2 per cent lower than in 1929, and 4.7 per cent lower than in 1928. Rents were 2.7 per cent lower than in 1929, and 4.5 per cent lower than in 1928. 1930 clothing prices were 6.8 per cent below the 1929 level and 9.1 per cent below the level of 1928. Other groups of items in the family budget remained relatively stable in 1930.

Retail prices, of course, have shown a considerable drop since the first of this year when the figures in the present volume end.

FOR persons concerned with, or participating in, the formal activities of corporations, "Formal Corporate Practice" will prove a practical guide. Its 1500 pages have adequate information on pre-organization activities, organization, and formal activities of the corporation during its life.

Examples of many forms and systems are given and explained. Many tables are given showing the differences between the states in many corporate matters, such as stock issues and directors' qualifications.

Formal Corporate Practice: Working Methods and Systems, by William H. Crow. Burrell-Snow, Inc., New York, \$10.00.

Recent Books Received

The Ethical Problems of Modern Advertising, The Ronald Press Company, New York, \$2.

Russia's Productive System, by Emile Burns. E. P. Dutton & Co., Inc., New York, \$4.

Applied Accounting Principles, by Emmett Reid Sanford. Thomas Y. Crowell Company, New York, \$4.50.

Everyday Economics, by Cornelius C. Janzen and Orlando W. Stephenson. Silver, Burdett and Company, New York, \$1.68.

Interpretations of Federal Reserve Policy in the speeches and writings of Benjamin Strong, edited by W. Randolph Burgess. Harper & Brothers, New York, \$4.

Economic Power for Canada, by J. Alex Aiken. The Macmillan Company of Canada Limited, Toronto.

Rationalization of German Industry. National Industrial Conference Board, Inc., New York, \$3.

Profit Principles of Retailing, by Harold B. Wess. McGraw-Hill Book Company, Inc., New York, \$2.50.

The Soviet Challenge to America, by George S. Counts. The John Day Company, New York.

How to Forecast a Bull Market, by Carroll Tillman. Economic Publications, Inc., Boston, \$5.

Jobs, Jobs, Jobs, by Miriam Wiener. Golden Era Publishing Company, New York.

The Guide to Business and Investment Planning, edited by Laurence A. Rice. United Business Service Company, Boston.

The Greenbacks and Resumption of Specie Payments, 1862-1879, by Don C. Barrett. Harvard University Press, Cambridge, Mass., \$3.

Accounting Terminology, American Institute of Accountants. The Century Co., New York, \$1.50.

Modern Combustion, Coal Economics and Fuel Fallacies, by Clarence V. Beck. Mid-West Coal Retailer, Chicago.

Stamina: Commonly Known as "Guts", by Herbert N. Casson. The Efficiency Magazine, London, England, 5/-.

Thinking in Business, by Herbert N. Casson. The Efficiency Magazine, London, England, 5/-.

Case Studies of Unemployment, by Unemployment Committee of the National Federation of Settlements. University of Pennsylvania Press, Philadelphia, \$3.

World Economic Depression: Remedies, by Scrivas Ram Wigel. Arthur-Hill, Inc., New York.

Cooperative Banking: A Cooperative Banking Book, by Roy F. Bergengren. The Beekman Hill Press, New York.

Problems in Marketing, by Melvin Thomas Copeland. Fourth Edition. McGraw-Hill Book Company, Inc., New York, \$5.

Arbitrage in Securities, by Meyer H. Weinstein. Harper & Brothers, New York, \$4.

The Full Fashioned Hosiery Worker: His Changing Economic Status, by George W. Taylor. University of Pennsylvania Press, \$3.

Essays in Contemporary Civilization, edited by C. W. Thomas. The Macmillan Company, New York, \$2.50.

Modern Civilization on Trial, by C. Delisle Burns. The Macmillan Company, New York, \$2.50.

Ship Management and Operation, by Hobart S. Perry. Simmons-Boardman Publishing Company, New York, \$4.

How to Interview, by Walter Van Dyke Bingham and Bruce Victor Moore. Harper & Brothers Publishers, New York, \$4.

Education for Business, by Leverett S. Lyon. The University of Chicago Press, Chicago, \$3.50.

Useful Information About Lead. Published by Lead Industries Association, Graybar Bldg., New York.

The Russian Paradox, by Bernard Edelhertz. Walton Book Company, New York, \$2.

The Challenge of Chain Store Distribution, by M. M. Zimmerman. Harper & Brothers Publishers, New York, \$5.



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Theater business was bad . . . and growing worse . . . until **JOHNS-MANVILLE** made an important discovery!

THE manager knew it. The door-men knew it. The ushers knew it. Even the organist knew it. Now the theatergoing public was fast becoming aware of it. What could they do?

Was the house haunted?

Why were seats 10 and 12—right there in 8th row center—always empty? What explained those weird areas of deserted seats that dotted the orchestra—and poked grim, silent faces through the darkness? Did ghosts walk up in the first balcony—third aisle over? Nobody ever sat there. Was deep, dark mystery in command? Is that why audiences grew smaller and smaller—box office

receipts dropped lower and lower?

Emphatically NO!!

The house wasn't haunted. Mystery did not prevail. Ghosts did not walk. A far more practical—and more serious—situation existed. The simple fact was that the acoustics in this theater were bad. People knew from sad experience that in certain seats, all over the house, they just could not hear.

This theater, like hundreds of others, was built for silent motion pictures. No requirements for good hearing existed when it was erected. But with the advent of sound movies, the acoustics were found faulty. Persons sitting in the 12th or 24th row might hear perfectly—those in the 18th row could distinguish nothing at all.

What was to be done?

What J-M Acoustical Engineers did in this case, they are doing in hundreds of theaters, churches, audito-

riums and public meeting halls all over the country. A complete acoustical diagnosis was made. They found too much reverberation. Sound was being reflected—"bounced" from wall to wall, back again.

Secondly, curved wall and ceiling surfaces were bringing reflected sound waves to a focus in the body of the house, creating an echo at such points.

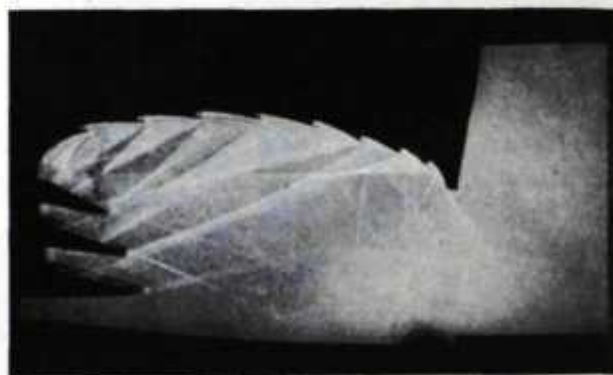
The solution was simple

J-M Sanacoustic Tile—a material high in absorptive qualities—was installed in vertical panels on the walls. Double pads were applied in every other panel. Reverberation was reduced immediately. Echoes were eliminated. Now all the seats in the house are equally good acoustically. Best of all, the theater is packed daily.

There are countless ways in which either noise quieting or acoustical correction helps business of every kind. Why not have a check of your business? Address Johns-Manville, 292 Madison Ave., N.Y.C.

"SOUND poses for a picture . . ."

In studying the acoustics of all types of assembly halls J-M Engineers make use of a working model built to scale. By means of light rays, the actual hearing conditions present are reproduced. Resorting to Photo Echo Analysis, sound—and the distribution of sound—are then photographed. Actually sound "poses for a picture." This method is particularly useful in spotting "bad hearing" areas, locating echo surfaces.



At the left, you see an actual photograph of SOUND reproduced in an exact working model of a theater—side view. Note the reflected "echo" points.

Main auditorium, Broad Street Presbyterian Church, Columbus, Ohio. After Johns-Manville Acoustical Treatment was installed, the congregation could hear perfectly.

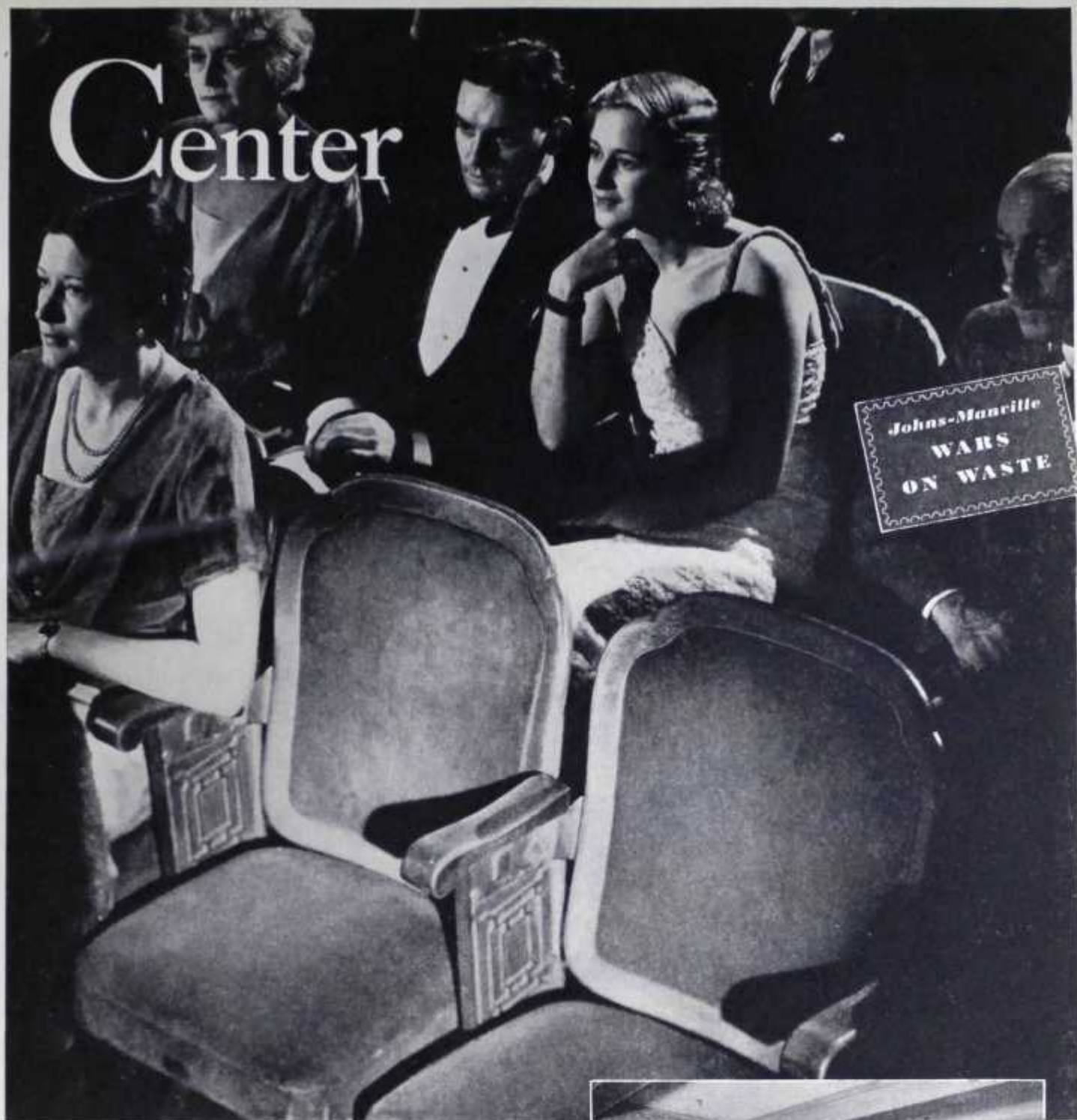
"He always addressed the back door . . ."

There was the time—not long ago—when the Rev. J. Harry Cotton, pastor of the Broad Street Presbyterian Church at Columbus, Ohio, had to preach directly to the back door, turning neither to the right nor the left, lest the persons on the opposite side would not hear him. Echo was bad. During the evening service, it was almost impossible to make himself heard. Visiting preachers found it very difficult.

Since the installation of J-M Acoustical Treatment, all difficulty has been removed. One may stand and address a far corner and still be heard in the opposite side of the room. Echoes have disappeared. The congregation has expressed genuine satisfaction.



When writing to JOHNS-MANVILLE



*"Studio L—notables find it
twice perfect . . ."*

Phil Cook, pictured at the right, is broadcasting under almost perfect conditions as he sits in "Studio L" at the National Broadcasting Co., New York City, and pours his famous ditties into the microphone. For "Studio L" not only has all the comforts of a fine drawing room, but, with it, an acoustical perfection that is unequaled. Artists, therefore, find it ideal from two standpoints. Johns-Manville Acoustical Materials are used throughout.

Here again J-M Acoustical Engineers have met the problem of the interior decorator with a material that gives desired acoustical value and, also, provides the base for a selected finish.



Johns-Manville



Controls

HEAT, COLD, SOUND

Protects against

FIRE AND WEATHER



Mexican cowboys and blooded ponies ride the King ranges that extend through seven Texas counties

The Cattle Range Goes Modern

By JOSEPH MARTIN DAWSON

THE STORY of the King ranch in Kingsville, Tex., the largest cattle ranch owned by a single individual in the world, is one of two-fold interest. The tale of its founders, and their early struggles for success in the face of constant danger from Indian and Mexican bandits, is altogether in keeping with the glamor and romance which we associate with the wild and woolly West. And its present success shows that in every business, even that of breeding and marketing cattle, efficiency and attention to detail are the factors on which financial returns depend.

In the days of the Texas Republic, Richard King, the young master of an English ship trading up and down the coast, exchanged his vessel for a large Spanish land grant. He soon married Henrietta Chamberlain, daughter of the chaplain at the Brownsville Fort. They built a crude block house in the middle of the enormous land grant, using blankets instead of doors and windows. Here they made



Santa Gertrudis Mansion, the King ranch house, is a show place of the State



THE chuck wagon still follows the round-up because no better method has been discovered, but, wherever modern methods can be applied, they are in use on the greatest cattle ranch still owned by a single individual. The new and the old work side by side to produce better cattle and to make profits more certain

the small beginning which was to make Richard King many times a millionaire, and his ranch one of the most famous in the world.

The land was fertile, and King soon accumulated a herd of cattle and drew around him trusted employees. He

seemed to bear a charmed life against the dangers of attacks and hardships, and he quickly began to prosper. In the spring his cowboys drove his herd of beef cattle northward along the old Chisholm trail to Abilene, Kan., and the markets, which they reached by fall. There they sold the cattle for a fair profit, which King and his wife, people of frugal habits, used to enlarge and improve the ranch.

A legal department

AFTER many years had passed and the ranch had grown to large proportions, King found himself involved in a law suit. The attorney for the opposition was a young law student not yet out of college but he conducted his case so ably that he won the suit. King

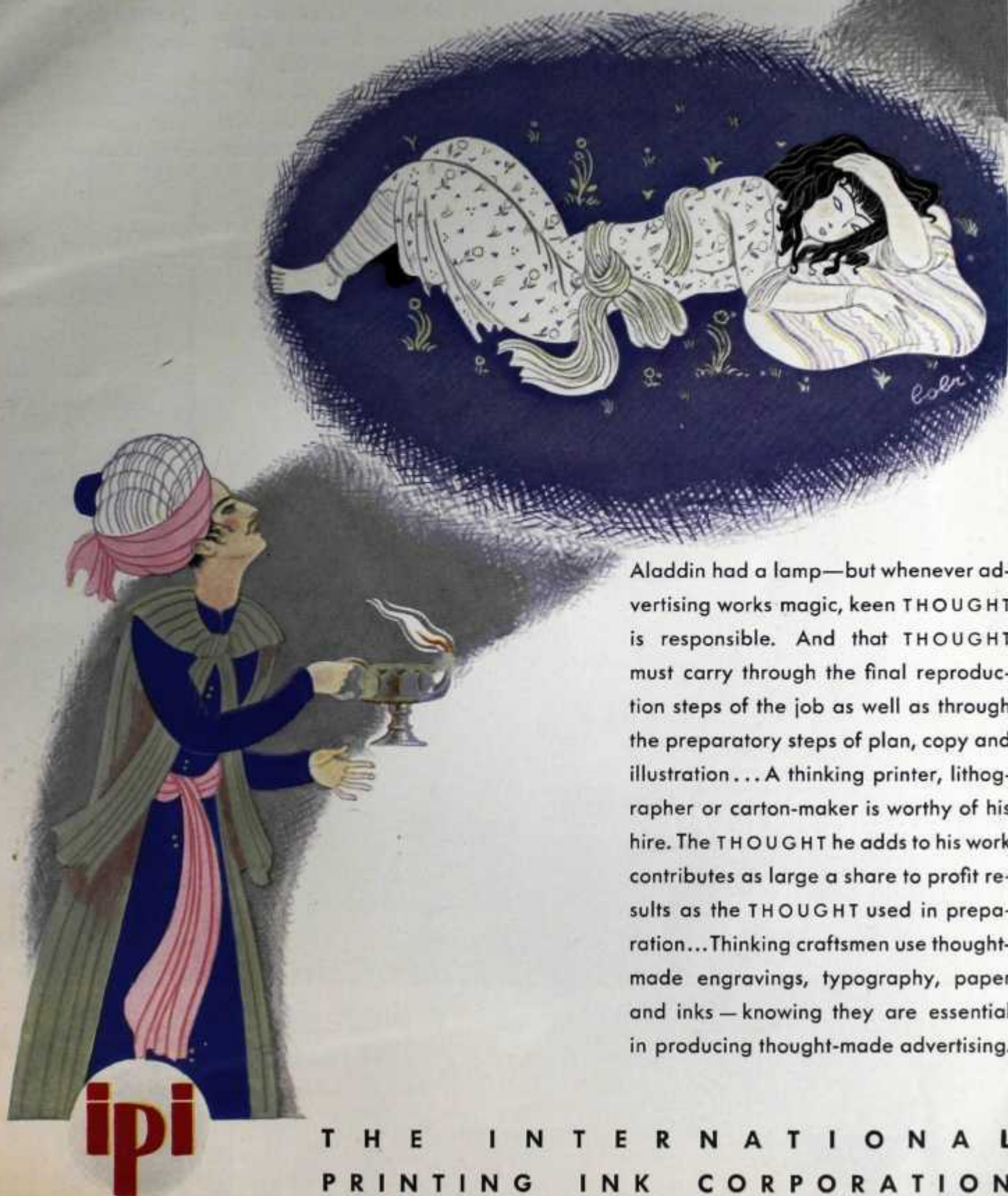
promptly engaged him, and agreed to pay him a handsome retainer's fee to look after the legal affairs of the ranch.

This made many visits to the ranch house necessary, and soon the young lawyer, Robert J. Kleburg, married Alice King, daughter of the rancher. When

THOUGHT

the advertiser's only

MAGIC



Aladdin had a lamp—but whenever advertising works magic, keen **THOUGHT** is responsible. And that **THOUGHT** must carry through the final reproduction steps of the job as well as through the preparatory steps of plan, copy and illustration... A thinking printer, lithographer or carton-maker is worthy of his hire. The **THOUGHT** he adds to his work contributes as large a share to profit results as the **THOUGHT** used in preparation... Thinking craftsmen use thought-made engravings, typography, paper and inks—knowing they are essential in producing thought-made advertising.

ipi

**T H E I N T E R N A T I O N A L
P R I N T I N G I N K C O R P O R A T I O N**

75 VARICK STREET, NEW YORK CITY • 26 BRANCHES IN PRINCIPAL CITIES

When writing to THE INTERNATIONAL PRINTING INK CORPORATION please mention Nation's Business

Something worth cheering about

If you really want to know how hugely enjoyable a fine cigarette can be, just try Camels in the Humidor Pack!

It isn't only that Camels are made of the choicest tobaccos—fine Turkish and mild Domestic tobaccos expertly blended. . . .

It isn't only that these fine tobaccos are cleaned by a special vacuum process that whisks away all the peppery dust.

It's that *all* the goodness of these fine, clean tobaccos — *all* the rare fragrance, *all* the delightful aroma — reaches you factory-perfect — prime, mild, *fresh!*

Tune in CAMEL QUARTER HOUR featuring Morton Downey and Tony Wons — Camel Orchestra, direction Jacques Renard — Columbia System — every night except Sunday

The Humidor Pack does that — seals within germ-safe, moisture-proof Cellophane *all* the natural freshness — seals it so tightly that wet weather cannot make Camels damp, nor drought weather make them dry.

So just try Camels—fine cigarettes kept fine — as a relief from stale, parched, dried-out cigarettes.

Then you'll see why millions of folks like you are finding the cool, smooth, throat-friendly pleasure of Camels something well worth cheering about!



Smoke a **FRESH** cigarette



Don't remove the moisture-proof Cellophane from your package of Camels after you open it. The Humidor Pack is protection against perfume and powder odors, dust and germs. Even in offices and homes, in the dry atmosphere of artificial heat, the Humidor Pack delivers fresh Camels and keeps them right until the last one has been smoked

CAMELS

Mild . . . NO CIGARETTY AFTER-TASTE

Captain King died in 1885, Kleburg, who had already demonstrated unusual executive ability, took over the administration of the ranch and now his two sons and a nephew are the trio of business men who direct the activities of this vast enterprise of 1,600,000 acres, and between 100,000 and 350,000 head of cattle.

The first of the trio is the quiet manager who knows how everything is going in these pastures which extend through seven Texas counties, and comprise a territory half again as large as Rhode Island. The second is the mediator between the ranch and the public, the affable man who meets visitors. The last is the astute and able lawyer who solves the problems of finance. Nearly a thousand employees are under them, and the yearly output of the ranch is from 25,000 to 35,000 beef cattle.

The main feature in the phenomenal success of the King ranch is the quality of the breed of cattle which the Kleburgs have developed, though the curly and luxuriant mesquite grass and the healthful salt breezes from the Gulf of Mexico are contributing factors. The original Texas Longhorns, the blooded Shorthorns, and the Herefords were not found altogether satisfactory, and as a result a mixed breed of Brahmas from India, crossed with Hereford and other blooded stock was started to take their place. These mixed cattle are large, they mature quickly, resist the ordinary ills from ticks and flies better than other breeds, and apparently are just the cattle for the south-west Texas climate.

Little farming

THE managers of the ranch specialize on the production of cattle. While some farming is done, it takes a place far in the background.

Robert J. Kleburg, Sr., is an old man now, but he is still vigorous. His hobby is a prize-winning herd of Jersey cattle. He purchased from T. S. Cooper & Sons of Pennsylvania the famous bulls, the Cid, for \$30,000; Combination Premier, for \$13,500; and You'll Do Victor, for \$10,000. As a result he has consistently carried off the honors at cattle shows.

The Kleburgs rely much on their Mexican labor for the proper upkeep of production. The Mexican is considered the best available cowboy for this sec-

tion. The Mexican is a natural born herder. He can dodge or endure the thorns from the cactus, which one encounters everywhere in this region, better than anyone else. He rides all over his horse, now on top, now on this side, and now on the other, but he never allows the elusive steer to escape.

The Brahma steers are extremely swift, and as a result the management was forced to breed a new and faster type of cow pony to keep up with them. Two thousand of these thoroughbred or quarterbred colts are born yearly on the King ranch. It is likely that nowhere else is the traditional and picturesque garb of sombrero, buckskin breeches and red bandana set off in combination with such admirable steeds. This has its effect on the Mexican cowboys and they give their loyalty and best work willingly to the Kleburgs.

Round-ups on the King ranch are held twice a year, in the spring and in the autumn. The once vast open pastures have been cut up into small traps, and the task of rounding up the cattle is not as difficult as it was in years gone by. The camps during the round-up periods move from trap to trap, and in spite of all the latest organization and equipment, there is still much of the color and flavor of the old-time event left in-

distinguished by the uniform size of their mesquite fence posts, firmly set in the ground, and by their six strands of barbed wire. A steer cannot go through nor over them, and the alert fence riders see that no cattle thief, even if equipped with trucks and trailers, can despoil the ranch of its cattle.

Plenty of water available

THE cattle are not only well sustained by the abundant grass, but are supplied with unfailing water, for at intervals of every two or three miles there are deep wells. Some of them are artesian, at the others windmills pump water into reservoirs. Thus the King cattle arrive at the marketing stage without much extra feeding from the Sudan grass, sorghum, Kafir corn, and milo maize grown on the ranch for the purpose.

In transporting the cattle to market the management of the ranch has shown its same genius for action and skill. To have a railroad outlet, the Kings presented Col. B. F. Yoakum's syndicate with 80,000 acres to bring the Missouri Pacific Railroad to the heart of the ranch. The coming of the railroad not only provided the means of carrying the cattle to market, but opened up the Lower Rio Grande Valley, bringing its citrus fruit and vegetables into competition with those of the California farmers.

The railroad takes the King cattle to leased pastures in Kansas where they are fattened until there is a rise in the market, and then sold to the best advantage.

Production on the King ranch is where the most outstanding efficiency is shown. When Kleburg saw that ticks caused fever and screw worms he invented a "dip," a liquid preparation into which he submerged his cattle. This process was so successful that it has been required by state law of all cattle raisers below the quarantine line.

While the evolution of the ranch may have proceeded slowly from the '50's when

steers traveled five or six miles a day along the trails, until now, when blooded bulls and cows are sent to distant points by airplane, its improvement has been steady and constant. Every known method and device has been added to bring it up to date, and the modern ranch house, Santa Gertrudis Mansion, is one of the show places of Texas.



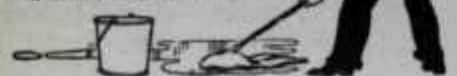
The Kleburgs imported Brahma cattle from India to develop a satisfactory breed for their ranch

cluding the old-fashioned chuck wagon.

The King brand is a running W. Sometimes when there is a heavy demand, unbranded calves are rushed to the market, for the branding process stunts growth for awhile, and temporarily reduces flesh.

The fences on the King ranch are considered the best in the world. They are

If this
is Modern
CLEANING—



this is
Modern **PRINTING!**

A fifteenth century method . . . perhaps capable of a hundred copies an hour! Who would think of using it? Yet many still use a hand-power method just as laborious and slow to clean floors . . . capable of a few hundred square feet an hour . . . instead of the electric FINNELL capable of thousands of square feet an hour. For large areas there is a FINNELL that, in one operation, will scrub and remove the dirty water, in less than mopping time.

You can also wax and polish in one operation with FINNELL-KOTE . . . shown below.

Saves half the time required by any other method, does a vastly better job and lasts longer.



Write for free booklet. State whether interested in waxing or scrubbing . . . business or home use. FINNELL SYSTEM, INC., 411 East St., Elkhart, Indiana or 130 Sparks Street, Ottawa, Canada. Branches in London and Stockholm.

FINNELL
Est. 1906
ELECTRIC FLOOR MACHINE
WAXES • POLISHES • SCRUBS



Note the threadlike stream of FINNELL-KOTE flowing to the floor to be immediately distributed and polished by the brushes.

When writing please mention *Nation's Business*

He Met Changing Times With Changed Methods

AN INTERESTING significance is attached to the opening in September of a \$150,000 three-story addition to the plant of the James R. Kearney Corporation, manufacturers of overhead and underground electrical equipment, in St. Louis. This new addition was made necessary by the Corporation's increase in business during the last two years—years during which the country at large has been going through the well-known depression.

The Kearney Corporation was established in 1927. In less than three years its annual sales had topped the million-dollar mark. During 1930 its business increased 21 per cent over that of 1929. Thus far this year the Corporation's average monthly sales volume is about \$50,000 above that during 1930. The total 1931 sales volume is expected to show a gain of about 50 per cent over the 1930 record. With the growth in business the Corporation has added new employees and increased the size of its pay roll.

As James R. Kearney, Sr., founder and president of the Corporation, exclaimed to a St. Louis *Globe-Democrat* reporter, who recently called on him to confirm the report of the placing of a 1,500,000-pound order for copper for his plant:

"Depression, heck! I've never heard of it; been too busy trying to take care of our expanding business!"

There is a reason for his booming business, as Mr. Kearney explained. His methods may contain a suggestion for other manufacturers.

Classifying their customers

DURING 1930 the Kearney Corporation conducted an intensive survey of its major markets—light and power plants and independent telephone and railroad systems—to ascertain the exact purchasing power of each potential customer. The survey disclosed more than 2,000 plants whose purchases did not justify the expense of a representative's call, and also many plants whose purchases indicated they should be called upon more frequently. It likewise pointed to the units which each individual plant was purchasing from competitors.

Sales territories were redistricted according to sales-volume possibilities, and in a manner which would permit representatives to call on customers as regularly as was justified by the potential market they offered.

The Corporation's field force was increased 15 per cent. Cash bonuses were offered to salesmen for new accounts brought in each month.

A direct-mail advertising campaign was instituted both to obtain direct orders from plants which representatives did not visit and to "set the stage" for representatives' calls upon other plants.

Advertising specific products

TRADE-PAPER advertising was increased and the copy changed from general to specific product copy to tie-in with the direct-mail pieces.

The field representatives' daily reports were made to include remarks pertaining to the sale of individual products. This information is used at headquarters to conduct specific sales efforts by mail or telegraph, either directly with buyers or through representatives.

To quote Mr. Kearney again:

"We believe in advertising and we believe in intensive cultivation of the market. The business is there if you'll go out and get it. We don't permit our men to talk hard times; if we catch them at it we fire them. The country isn't broke and it isn't going to the devil. Most of the fellows who talk hard times have simply lost their nerve.

"Some of my friends thought I was crazy to put up the new factory addition now. But this is a good time to build and we needed the additional space, so we went ahead. Our domestic business is keeping ahead of 1930 and we have shipped to 29 foreign countries this year, business being especially good with Mexico, Central and South America, Italy, the Philippines, China and New Zealand.

"Of course, the character of business has changed somewhat. We are handling about three times as many orders as last year on the same amount of business, customers buying on shorter period requirements—but the orders keep coming in."—CARTER H. HOLLAND



GRINDING — essential operation
in the making and maintenance of
the tools of the lumber industry.

LUMBER « » « »

Grinding Wheels—in the making of the primary implements of the lumberman—shaping his axe—making true his great saws—and keeping them fit.

Grinding Wheels—in the making of precision parts of his machines of tremendous power—tractors—log haulers—donkey engines—locomotives. Norton Company, Worcester, Mass.

NORTON

Grinding Wheels Abrasives for Polishing
. . . . Abrasive Aggregate Floor and Stair Tile . . .
Grinding and Lapping Machines Refractories
. . . . Porous Plates Pulpstones

Great Industries
No. 6

When writing to NORTON COMPANY please mention Nation's Business

WHAT I'VE BEEN READING

By WILLIAM FEATHER

President, the William Feather Company, Cleveland, Printers and Publishers

DON'T know when in 1930 "The Quicksands of the City" by Hartley Withers was first published. The preface is dated October 30, 1929, which speculators and investors will recall was a terrible occasion in the stock market. Withers, by the way, is an English economist and financial writer, and "the City" is a synonym for the English Stock Exchange.

The book is a discussion of investment principles, but, since it was written before the new investment theories had been thoroughly tested, some of the author's conclusions make sour reading for Americans. Withers thinks (at least he did in October, 1929) that the Investment Trust is the ideal place for the funds of the ordinary man.

Despite the unfortunate record of some investment trusts in America, this form of investment may yet prove to be safe, sound, and wise.

Withers writes: "I sometimes dream of a small savers' Investment Trust company with a Board composed, let us say, of the Governor of the Bank of England, the chairman of the Big Five banks, and representatives of the leading issuing houses and insurance companies. Not because such a Board would necessarily be the best people to do the investing job, but because they would know the right men to do the work, and would be held responsible if it was not done right. If all small investors knew that there was a sure and safe resting-place in which they could put their funds with confidence, and rely on getting from it something like the advantages that the old Trust companies have showered on their shareholders, they would be saved from temptations which too often cost them dear."

This is a noble wish, but probably unrealizable. No one can control the violent fluctuations of prices on the Stock Exchange. Investors love and admire the managers of their funds when prices are rising, but hate and detest

the same men when prices are falling.

Every prospective buyer of common stocks should read "Sick in Bed with Common Stocks," recently reviewed in this page. That monograph reveals the suffering that must be endured by the owner of common stocks for long-time investment.

THE wife of Marshall McClintock, author of "We Take to Bed," was ordered to Saranac, shortly after their baby was born. The parents were in their early twenties. McClintock had a new job and a few hundred dollars. The baby and the wife were installed in a boarding house, and McClintock beat it for New York to become a traveling book salesman. In a few weeks he, too, was at Saranac, lying in bed on a porch.

Life was pretty serious. The baby had to be boarded in a separate establishment. Money had to be found to pay the bills. It came miraculously from former employers, friends, relatives, and strangers.

The story covers a period of ten months. Most tubercular victims are young people. Their mood is something like that of soldiers in front-line trenches. They detest artificial good humor. One nurse who insisted on greeting her patients each morning with a broad smile and exclaiming, "It's good to be alive!" was driven out of town. The "lungers," as they call themselves, preferred such bathroom songs as:

We're inmates of the Penfold shack,
We're rotten with disease.
We cannot to our homes go back,
Because we cough and wheeze.

Another delightful Saranac ballad is sung to the tune of Old Black Joe. It goes this way:

Gone are the days when my lungs were
good and strong.
Gone are my friends with whom I've
cured so long.
Gone from this earth, to a better place
I know.

²*We Take to Bed*, by Marshall McClintock. Jonathan Cape and Harrison Smith, New York, \$2.50.

I hear the devil softly calling, "Come down below."

I'm coming, I'm coming, but my cough is getting worse.

I hear the undertaker calling, "Bring on the hearse."

A theme of beautiful love and heroism threads through this realistic story. The writing is superb, although some details may gag those with sensitive stomachs. The book is a vivid account of the capacity of the human spirit to soar even when the pocketbook is empty and death is just around the corner.

IN "Investment Fundamentals," Roger W. Babson offers 334 pages of advice. Although the book contains little that is new to an experienced investor, a young man might learn a good deal from it, unless he became fascinated by a table entitled "Possibilities of Profits" that appears in the chapter on "Babsonchart Operations." In this chapter, Babson shows how an initial investment of \$6,046 in July 1893 might have grown to \$654,240 in October 1925 and to well over a million in 1929. To achieve this handsome result, the investor would, of course, have been compelled to anticipate the major dips and peaks. He would have sold or bought eighteen times.

Babson says: "The investment of approximately \$6000 reached nearly \$700,000 in 32 years or at the average rate of increase, compounded semiannually, of approximately 15 per cent a year. How many businesses average such a return over as long a period with its succession of business waves? Try to find one!"

One might, with equal emphasis, justly demand that Mr. Babson produce any speculator or investor, including himself, who ever caused \$6000 to grow to \$1,000,000 during a period of 37 years, by trading in the market. Possibly \$6000 has been made to grow to \$1,000,000 in three years, but I doubt

³*Investment Fundamentals*, by Roger W. Babson. Harper & Brothers, New York. \$3.00.

¹*The Quicksands of the City*, by Hartley Withers. Jonathan Cape and Harrison Smith, New York. \$2.50.

As the Roadster excels the Tandem Bicycle

Preformed Wire Rope excels old-fashioned ordinary wire rope



**The
NEW**



**The
OLD**

Put Wire Rope on a service-per-dollar basis

... and realize what it would mean in dollars and cents if you get 30% to 300% increased service from wire rope.

- Think how a similar saving would reduce your operating expense! Even 30% longer life is a sizeable saving when translated into dollars. 300% and even greater increased services with Tru-Lay are common.

- That is why many large users of wire rope are standardizing on Tru-Lay ... because they find by actual test and trial that Tru-Lay delivers from 30% to 300% increased service depending upon the character of the service and type of equipment.

- That is why a growing number of manufacturers of cable-operated machinery include Tru-Lay Preformed Wire Rope in their specifications. They find that their equipment oper-

ates with greater economy and satisfaction when equipped with Tru-Lay.

Send for this complete story

Comparing Tru-Lay Preformed Wire Rope with old-fashioned ordinary wire rope is like comparing the efficiency of the modern roadster with the old-time tandem bicycle. Put wire rope on an up-to-date cost-per-dollar basis. Tru-Lay will save you money. ● Let us send you, or the man in your organization responsible for wire rope, a copy of "Why Preformed Wire Rope." Write for it on your business letterhead.

AMERICAN CABLE COMPANY, Inc.
New York Central Bldg., 230 Park Ave.
New York City

An Associate Company of the American Chain Co. Incorporated



TRU-LAY PREFORMED WIRE ROPE

30% to 300% Increased Service

(Depending upon the character of the service and type of equipment)

PATENT
APPLIED FOR

Make Your
Stored Records
Just as Accessible
As the Active Ones
With the **Oxford**
SLIDING DRAWER
Storage File!
PULL-OUT DRAWER CONVENIENCE
CORRUGATED BOARD ECONOMY

WHEN you transfer your records to "storage" they should be just as accessible as they were in your active files.

Now you can obtain this invaluable reference convenience in the OXFORD SLIDING DRAWER STORAGE FILE, at a cost no greater than that of ordinary storage boxes or cartons.

Every office that needs storage files deserves a storage file like the OXFORD—convenient, accessible, efficient and durable. Just look over these

FEATURES YOU WILL APPRECIATE

1. Made of high-test, corrugated board.
2. Sturdily constructed and guaranteed. They will work perfectly when you stack them, fully loaded, to a height of 72 inches.
3. Therefore, no shelving needed.
4. Dust protection accorded to papers within by drawer flap and overhanging outer shell.
5. Shipped to you flat in cartons of ten.
6. Extremely low prices.

YOUR SIZES ARE HERE

Stock No.	For Records such as	Drawer Height	Drawer Width	Inside Depth
1	Letters	10 1/2"	12"	24"
2	Legal or Cap Size Forms	10 1/2"	15"	24"
3	Invoices or 2 rows 8x5 cards	8 1/2"	10 1/2"	24"
4	Checks or Vouchers	3 1/2"	9"	24"
5B	Checks or Vouchers	4 1/2"	9"	24"
6	Checks or Vouchers	4 1/2"	10 1/2"	24"
7A	Calculating Cards	2 1/2"	7 1/2"	18"
8	5x8 Cards or Forms	5 1/2"	8 1/2"	24"
9B	*4x6 Cards or Forms (2 rows)	4 1/2"	12 1/2"	24"
10	*4x6 Cards or Forms (2 rows)	4 1/2"	12 1/2"	15"
11	*2x5 Cards or Forms (2 rows)	3 1/2"	10 1/2"	24"
12	*Documents (2 rows)	10 1/2"	9"	24"
13	Deposit Slips	4 1/2"	8 1/2"	24"
12B	Deposit Slips	4 1/2"	8 1/2"	15"

*These files furnished with divider strip for 2-row filing. Double width forms may be filed—merely discard the divider strip or place it at side to cut down width. Special sizes made to order in lots of 50 or more.

Write us for prices and name of dealer nearest you

OXFORD FILING SUPPLY CO.

The Filing Supply Specialists

342 Morgan Ave. Brooklyn, N. Y.

NO SHIFTING
ABOUT OF HEAVY
CASES!



JUST
CONVENIENCE



When writing please mention Nation's Business

that anyone who traded in and out for 37 years ever escaped a thorough cleaning. Nobody is as smart as that. Theoretical computations of what might have been done by a gifted speculator are deceiving and, in my opinion, should be left out of a book bearing the title "Investment Fundamentals."

Babson warns his readers against gambling, marginal trading, impatience, tipster services, and greed, but his figures are more eloquent than his sermon. They tempt his readers to do what he warns them not to do.

On page 188 appears a chart that visualizes what is alleged to be the economic status of 100 average individuals at ages 35 to 75. "The above chart," says Babson, "is based upon information published by the American Bankers Association." Many attempts have been made to identify the man who invented the figures on which this chart is based, but no one has come forward who will assume responsibility.

The chart tells us that of 100 people who started out even, 5 are dead at the age of thirty-five, 75 are self-supporting, 10 are well off, and 10 are wealthy. At 65 years, 36 are dead, 54 are non-supporting, 5 are self-supporting, 4 are well off, and one is wealthy. Nobody has ever come forward with data to support these figures, yet they bob up month after month in support of arguments for insurance, savings, investment counsel, old-age pensions, and household budgets.

Some time ago the National Civic Federation made a survey of 14,000 persons of 65 and over, living in representative communities in New York, New Jersey, and Connecticut. One-fourth of those interviewed were worth \$10,000 or more. Fifty-seven per cent possessed property worth at least \$2000. Out of the 14,000 there were only 200 cases of destitution.

The federal census is said to reveal that 61 per cent of all men 65 years and over are gainfully employed.

I hope that Mr. Babson will give these figures another check. People apparently are doing better with their money and their lives than he suspects.

"THE WAY to Recovery" by the British economist, Sir George Paish, is the type of book that could be written only by a Britisher. An American, after reading it, might exclaim, "Yes, that's England's way of recovery but America can recover from this depression without

waiting for the whole world to be lifted."

Maybe we can, and maybe we can't. Paish doubts it. Foreign nations owe us billions of dollars. He doubts that reparations ever can be collected. He also doubts that our private loans to European nations can ever be liquidated unless we join the rest of the world in a lowering of tariff walls and permit something resembling free trade to function.

On the other hand, if we and other nations will join in doing what he thinks must be done, we can bring about prosperity that will be world-wide. Reasonable people in all countries, he holds, are now agreeable to the adoption of reasonable plans for rehabilitation. They are ready to allow the League of Nations to function. They are ready to reduce armaments. They are ready to lower the tariffs. When the statesmen catch up with the thought of the people, we shall have world peace, cooperation, and prosperity.

The people of every country in the world are eager to work, to produce, and to exchange the product of their labor for the goods of others. Stupid political thinking stops natural economic law from functioning.

What I get from Sir George Paish's book is that the nations will reform their bad practices and cure their jealousies only as a last resort. The right remedy will be applied when all the quack serums are exhausted.

"The Way to Recovery" is remarkable for the way in which baffling international problems are simply presented.

HALF a dozen friends told me that I ought to read "Sanctuary" by William Faulkner because it was a swell job of writing. I read it with some effort and was unimpressed. It is altogether too chaotic and vague. Neither in plot nor characterization does it measure up to adequate standards.

It is perfectly possible to write coherently about people who are incoherent about themselves. Faulkner fails to do this. He has simply written a crazy story about crazy people.

There is enough horror in the book to start a revolution, but the story is so weakly handled that it causes the reader less anguish than the misfortunes of Little Orphan Annie in the comic strip.

PAUL POIRET, the Paris dressmaker, has written a lively autobiography

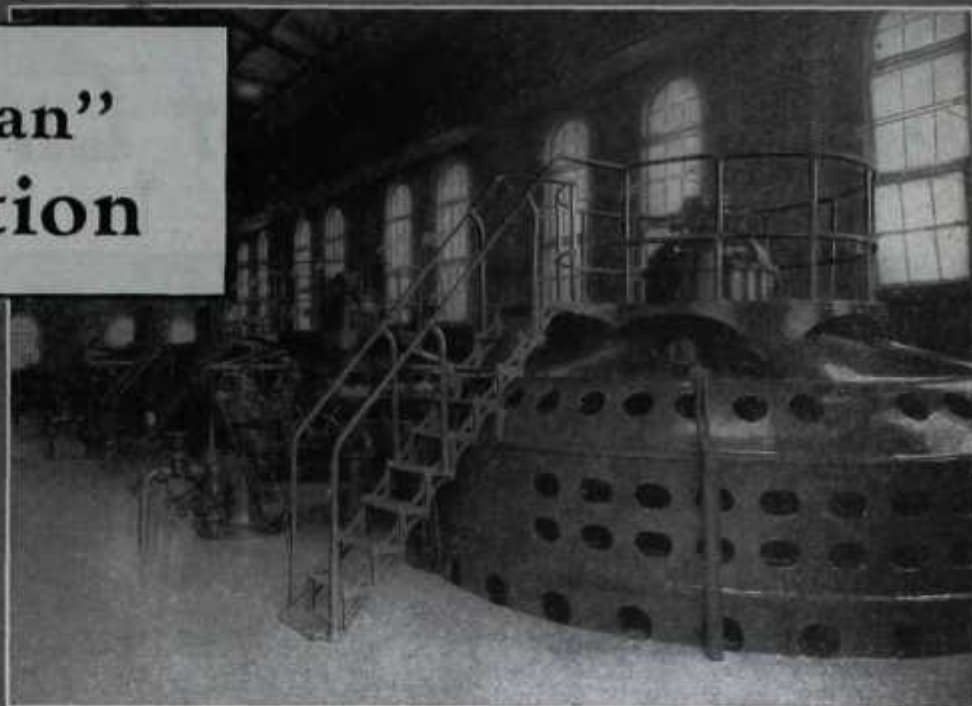
"Sanctuary," by William Faulkner. Jonathan Cape and Harrison Smith, New York. \$2.50.

"The Way to Recovery," by Sir George Paish. G. P. Putnam's Sons, New York. \$2.

Get our suggestions for . . .

"Unit Plan" Lubrication

*. . . to speed
production
and cut oper-
ating costs*



Our business isn't merely to sell lubrication but to increase your profits through the use of better lubricants according to a definite plan.

Cities Service "Unit Plan" Lubrication means special adaptation of Cities Service lubricants to the needs of an entire plant . . . for one machine or any group . . . from smallest lathe to giant turbines. Let us talk with you about it.

Light, heat and power plants, transportation companies and fleets of trucks operated by Cities Service subsidiaries constitute a gigantic testing laboratory for Cities Service lubricants and enable Cities Service to provide you with quality proved where it should be proved—in industrial use.

Mail coupon below—we'll have our representative call on you with no obligation on your part whatever.



CITIES SERVICE RADIO CON-
CERTS, Fridays, 8 P. M. Eastern
Standard Time—WEAF and 37 Stations
on N.B.C. Nation-Wide Network.

CITIES SERVICE COMPANY
60 Wall Street, New York, N. Y.

We are interested in your "Unit Plan" of Lubrication.

We operate _____ machines.

Our products are _____
number of

Name _____

Street _____

City _____ State _____

CITIES SERVICE INDUSTRIAL OILS

QUALITY PROVED WHERE IT SHOULD BE PROVED — IN INDUSTRIAL USE

If you want lower advertising costs *Don't Buy Ghost Circulation*



D. F. KELLY, President of the Fair, Chicago, and President of the National Retail Dry Goods Association, says: "Is there not such a thing as excessive circulation—excessive in cost to secure, excessive in cost to manufacture and excessive in cost to the advertiser?"

"If the money spent so lavishly to secure what might be termed 'phantom circulation' were used in an effort to build the

best possible circulation, so far as productivity is concerned, would it not be of greater profit to the publisher and his clientele? How much is ghost circulation and how much is deserved circulation?"

"Newspapers and magazines are in a race for circulation. The advertiser pays the bill. If the waste circulation of newspapers and magazines were eliminated, the advertiser would obtain



D. F. KELLY, President of the Fair, Chicago, and President of the National Retail Dry Goods Association. Photo by Blank-Stoller, Inc.

the same result he is getting now.

"Many believe 20% is waste, for which the advertiser is paying because of the competitive ambition and pride of the publishers."

When you advertise in SCRIPPS-HOWARD Newspapers you avoid phantom circulation. Not one dollar is spent for circulation outside of natural trading territories—profit areas. No contests. No forced combinations. No rural scatteration.

SCRIPPS-HOWARD Newspapers offer the highest concentration of circulation available in one unit for national advertising. Confine your advertising where greatest profit can be made.

SCRIPPS · HOWARD

NEWSPAPERS

MEMBERS OF THE UNITED PRESS . . . OF THE AUDIT BUREAU OF CIRCULATIONS AND OF MEDIA RECORDS, INC.

NEW YORK *World-Telegram* SAN FRANCISCO . . . *News* BUFFALO *Times* COLUMBUS . . . *Gleaner* YOUNGSTOWN *Telegram* HOUSTON . . . *Press*
CLEVELAND . . . *Press* WASHINGTON . . . *News* INDIANAPOLIS . . . *Times* AKRON . . . *Times-Press* FORT WORTH . . . *Press* EL PASO . . . *Herald-Post*
BALTIMORE . . . *Post* CINCINNATI *Post* DENVER *Rocky Mt. News* BIRMINGHAM . . . *Post* OKLAHOMA CITY *News* SAN DIEGO . . . *Sun*
PITTSBURGH . . . *Press* COVINGTON *Kentucky Post* TOLEDO *News-Box* MEMPHIS *Press-Scimitar* KNOXVILLE *News-Sentinel* EVANSVILLE . . . *Press*
—Kentucky Edition of Cincinnati Post ALBUQUERQUE *New Mexico State Tribune*

220 PARK AVENUE, NEW YORK · CHICAGO · SAN FRANCISCO · DETROIT · LOS ANGELES · ATLANTA · PHILADELPHIA · BUFFALO · DALLAS

74.4%

OF SCRIPPS-HOWARD CIRCULATION IS CONCENTRATED IN CITIES

90.7%

OF SCRIPPS-HOWARD CIRCULATION IS CONCENTRATED IN PROFIT AREAS

If YOU want lower selling costs, concentrate your effort where advertising results are greatest . . . where population is thickest . . . where dealers are accessible . . . where living standards are highest . . . where wealth is greatest . . . where fashion sense is developed.



stability reputation responsibility

Stability—established business standing—corporate responsibility—these are demanded by the buying manufacturer of today.



FOR thirty years manufacturers of gasoline powered machinery have bought Continental engines with utmost confidence—a confidence bred of Continental's reputation for undivided responsibility to the manufacturer.

Continental is now serving nearly 250 manufacturers in 25 different countries the world over.

CONTINENTAL MOTORS CORPORATION

Offices: Detroit, Mich., U. S. A.
Factories: Detroit and Muskegon

Continental Engines



When writing please mention Nation's Business

which he calls "King of Fashion." Poiret rose from a poor boy to the top of his profession. Then, it appears, he went broke and his business was taken over by others.

His trouble seems to be that he ventured into too many sidelines, and most of the sidelines entailed big deficits. He is now living quietly in the country, painting pictures, planning to resume business.

I was attracted to the book because I thought it might reveal some interesting sidelights on dressmaking as a business. But Poiret is obviously too much of an artist to be a business philosopher. He always operated to please himself and made his customers adjust themselves to his mood if they wanted to do business with him.

He denies that he or anyone else ever was or ever will be a dictator of fashion. His function, he says, was to sense the moment when women were becoming tired of one fashion, and then, at just the right time, to suggest a new mode. His aim was to divine and satisfy the secret thoughts of women.

He is brutal in his criticism of American women whose most serious fault, he says, is lack of personality. Once, in San Diego, he reproved a group of women in this way: "Look at yourselves," he said, "you all have a bouquet of flowers pinned in the same way on your fur. If it were a special and personal detail it might have a certain charm, but when it is a general measure I no longer look at it with pleasure; on the contrary it grates on my nerves."

When the show was over, the janitor gathered a basket of flowers from beneath the chairs.

A MAN who, to conceal his identity, calls himself Jay Franklin, has written "What This Country Needs," a book of 21 essays, in which he tears into our social, political, and economic life. He finds that nothing is right. Americans are nit-wits. We have neither brains nor character.

The writing is clever and amusing, but the author piles up too much abusive criticism. He takes in too much territory. His weakness is that he has no tolerance for youthful follies and enthusiasm.

He wants this country to become a sort of sullen, disillusioned old fellow—hard, cross, and irritable, but with

"King of Fashion, by Paul Poiret. J. B. Lippincott Company, Philadelphia. \$3.

"What This Country Needs, by Jay Franklin. Covici-Friede, Inc., New York. \$3.50.

plenty of money in the bank. We need lots of discipline in the form of hard luck. We need to be humbled, broken, taught patience. The author would have us thoroughly whipped and beaten.

Such philosophy indicates a complete lack of understanding of Americanism. Americans can endure anything except monotony. We are not seeking a civilization that is represented by perfection—and boredom. We are blessed with the courage and faith of youth. We should be judged not by what we say but by what we do. This is the most interesting country in the world because we do things.

"FREIGHTERS of Fortune" by Norman Beasley is a story of the exploration, exploitation, and commercial development of the Great Lakes district.

A chapter that particularly interested me relates to the organization of the Minnesota Iron Company. The principal promoters were George C. Stone, past 60, and Charlemagne Tower, 70 years old. Tower, who lived in Philadelphia, was worth \$3,000,000, and had enjoyed high honor and achievement. Stone, a former resident of Philadelphia, had moved to Duluth to engage in small manufacturing. The presence of iron in the country about Vermillion Lake was called to the attention of Stone, who immediately wrote to his friends, among them Tower.

"If I were younger—even ten years younger—I would go into this proposition. But, at 70 years of age, when a man has all he needs and more, he doesn't seek new things."

Tower did go in, however, and he induced his partner to go in. Later the partner asked to get out and another investor backed away, and Tower took over their interests. As in many new ventures, the Minnesota Iron Company was a hungry wolf. Tower got in deeper and deeper. Money was begged and borrowed everywhere. Tower gave everything he had—all the \$3,000,000—and indorsed stacks of notes.

The venture was saved from disaster by the timely help of Col. James Pickands, Samuel Mather and Jay C. Morse, the original partners of Pickands, Mather & Co. It is pleasing to report that Tower got back his entire investment of \$3,000,000 with a profit of a like amount, while Stone received approximately \$500,000.

Monster fortunes have been made in

"Freighters of Fortune, by Norman Beasley. Harper & Brothers, New York. \$3.50.



National Accounting Machines are built in a number of different types to meet all accounting needs.

Saving Dollars and Hours

on every kind of accounting



Fifteen hundred dollars saved in one year for a manufacturer. Ten per cent on payroll in the auditing department of a great department store. Accounts posted on the first of the month that formerly took to the twentieth for an installment house.

These are just a few of the savings in dollars and hours made possible by National Accounting Machines. Other examples . . . equally striking . . . can be given for every kind of business and every kind of accounting . . . including yours.

National Accounting Machines combine features never before offered in the field of mechanical accounting. Every feature has but one object . . . to turn out more accurate work in less time and at lower cost. In the small office and the large these results are being accomplished.

Whether you are a retailer, wholesaler, manufacturer, banker, broker, public utility operator, or operate any other business, National equipment will show the way to definite savings of dollars and hours.

THE NATIONAL CASH REGISTER COMPANY, DAYTON, OHIO

When writing to THE NATIONAL CASH REGISTER COMPANY please mention Nation's Business

one else, is entirely and completely interested in himself. He buys those products that will enhance his dignity, good looks, comfort, and social position.

But the reader, like everyone else, is so self-conscious that he will not act on such a vain motive. He must find a secondary motive to justify his action. This motive must be something like thrift, good value, economy in the long run, long life, etc.

The authors make the provocative statement that advertising which aims to interest everybody will probably convince nobody.

Advertising to be most effective must be aimed at some specific group. It must stir its prospects to action even at the risk of offending other readers. Editors have long used this principle. They do not try to make all articles interesting to everybody. The better practice is to aim each article at a specific group. A lively interest in one article is better than a bored interest in a dozen articles.

Another shrewd observation is that not every business can advertise profitably. On the other hand, some products cannot exist without advertising. The only way to find out which is which is by careful testing.

I recommend this book to anyone who is spending money for advertising or contemplates expenditure. There's money in it for those who grasp the principles so ably presented.

Both Goode and Rheinstrom are idealists, but they bravely face the fact that neither business nor advertising can survive without profit. In business the right way is the profitable way, because it is the efficient way. To find the efficient way, not by guess but by test, is the obligation of every person connected with advertising.

JAMES W. BARRETT, city editor of the New York *World* at the time it was sold to Scripps-Howard last February, tells the story of the transaction in a book which he calls "The World, the Flesh, and Messrs. Pulitzer."¹⁰ Barrett is the man who tried to raise money at the last minute so that the newspapers could be owned and published by the employees, cooperatively.

He is still emotional about the sale of the *World*. Neither by temperament nor by background does he seem qualified to present a coherent account of the many factors that led to the disaster. Barrett's love of the *World* was genuine.

¹⁰The World, the Flesh, and Messrs. Pulitzer, by James W. Barrett, Vanguard Press, New York. \$1.25.



STEEL COUNTER FILES....



STOP *waste steps..*

"Y and E" Steel Counter Files speed customer service and save time by keeping work, workers and customers all at one spot. Bills, correspondence, records of all kinds . . . right where you want them. No useless running around—no lost motion.

These double duty units also save costly floor space and cut office overhead by serving both as a counter and as files.

There are "Y and E" Steel Counter Files to meet your every business need. All units standard and interchangeable. Can be added to or changed at will. Brass bound linoleum tops—easy to clean and long lasting—provide an ideal working surface. Write for complete information on *Custom-built All-Metal Counters*, or

Ask your "Y and E" Man

YAWMAN AND ERBE MFG. CO.

1128 JAY STREET :: ROCHESTER, N. Y.
Export Dept., 368 Broadway, New York, N. Y., U.S.A.

Steel and Wood Filing Cabinets... Steel Desks...
Steel Shelving... Safes... Office Systems and
Supplies... Visible Index Equipment... Bank and
Library Equipment.

"FOREMOST FOR MORE THAN FIFTY YEARS"



F. J. SIGL, one of the "Y and E" Men serving business executives in Rochester, N.Y., is, like all "Y and E" Men, an expert at solving office problems.

Yawman and Erbe Mfg. Co.,
1128 Jay St., Rochester, N. Y.

Please send me without obligations details on Custom-built All-Metal Counters.

When writing to YAWMAN & ERBE MFG. CO. please mention Nation's Business

Back to Our First Principles

(Continued from page 64)

the way of the passage of this type of legislation there is a wide popular clamor for a change in the Constitution. But human nature has not changed much, if any, since the Constitution was adopted. There is just as much danger today as there was then that a strong central government will build up a powerful bureaucracy which will in turn deprive us of our liberties and interfere with our rational freedom of action.

Favored individual liberty

THE framers of the Constitution believed that individual liberty should be curtailed by law only in so far as public safety and order make necessary. Acting on this belief and under this fundamental principle, the United States has grown great and powerful. Recently, however, there has been constant agitation to restrict individual liberty for reasons of morality and efficiency, and not because public safety required it.

There is also a movement away from another of the underlying principles of the Constitution, that of representative government, a government whose officials are chosen by the people to represent them in making and enforcing the laws and whose duty it is to give their time, their attention and their best thought to the problems of government and to the ultimate result of new laws, rules and regulations. These things can be done better by carefully chosen and responsible representatives than by the great mass of people.

Nevertheless, many of our public men constantly urge that we get away from representative government and go over into the field of pure democracy. The evils of pure democracy have been pointed out so often by political writers from the days of Aristotle down to the present that it is not necessary to enlarge upon them here. It may be remarked, however, that no great successful business enterprise is conducted by the direct votes of all the stockholders. We have learned that the wise course is for the stockholders to elect directors whom they can trust and whose business it is to devote their time and attention to the problems before them.

Of course the demagogue finds it popular to shout from the housetops magnificent phrases, praising and flattering the wisdom of the people and decrying the wisdom of their chosen rep-

resentatives. In insidious ways suggestions are made of the importance and value of submitting the most difficult international and national problems to millions of people who are too busy to study those problems carefully.

History has shown this to be an unwise principle. It leads to disaster and the rule of emotion and mob psychology rather than the safe rule of reason. It was tried in Athens more than a thousand years ago. The principle of representative government is one of the most precious in the Constitution. Nothing is more important than the clearest possible understanding of it and the most active loyalty to it.

The Constitution represents the wisdom of a homogeneous, self-governing people who dearly prized personal liberty and who appreciated the dangers of too much government. Any interference with the development of individualism is ultimately disastrous. Each man should be free to make his own mistakes, because the repression of individual mistakes by governmental commissions and bureaus involves also a repression of the best possibilities of good progress. The Constitution favors individualism. It tries to leave people "free to make their own mistakes, trusting that the successful experiment will be followed and the unsuccessful one abandoned." The community learns from the errors made.

Let's take care for the future

THE present tendency toward paternalism in government will ultimately restrict the growth and development of the nation because it represents the wisdom of the present rather than the possibilities of the future. Centralized authority may give us immediate advantages and enable us to avoid grave mistakes, but it is sure to retard growth and kill the chances for that future development which comes only as a result of individual initiative.

The principles of our Constitution are based on careful study of history, an appreciation of the strength and weakness of human nature and sound reasoning. The dangers of emotional appeal are avoided. On the other hand the way to rational progress is favored. For the sake of our country's future and our own happiness it is important to understand, appreciate and hold to these principles.



COMMONER, King, or Lord High Executioner—it makes no difference to us! If you're a Commoner, we'll try to make you feel like a King; if you're already a King, we'll try to make you feel like visiting us again. For instance, whether you engage our largest suite or smallest room, we'll undertake to serve your hot dishes *piping hot*. We have dumb-waiters to whisk trays from our kitchen to your floor in jig time... special ovens on every floor... waiters not at all dumb to serve you right in your room... and all through our house a very sincere desire to indulge your lowliest wish in royal fashion. Now may we serve you?

The ROOSEVELT

Madison Avenue at 45th Street, New York
Edward Clinton Fogg—Managing Director



Will the voice of your business *rise above the din of 1932?*

AN OPEN LETTER TO THE CLEAR-THINKING BUSINESS MEN OF AMERICA—ELEVENTH OF A SERIES

THE year just ahead will be a busy and noisy one. Think of the many changes brewing—in international relations, in domestic politics, in public and private finance, in the thought and activity of all the people.

Times of tension invariably raise the interest and value of *The Literary Digest*. Its impartially gathered information on topics of the day is a veritable fountain of knowledge to the serious, fact-hungry people who want to know both sides of every important question.

Next year, *The Digest* will be in the thick of historic happenings; with its accounts of the opening of Congress, debates on Debt Relations, the Presidential conflict—to mention only a few of the many real problems that only *The Digest* covers compactly, completely and fairly.

Can you think of a magazine more necessary in 1932 to families that intend to be informed and prepared!

Can you think of one more necessary to advertisers who intend to capitalize the sparking energy of an electric year!



The Digest enters the best million homes with telephones, a market that buys two-thirds of all advertised products—and buys them first. *The Digest* interests progressive people only, people of active mind, high standards and broad interests. It selects from our melting-pot millions the great, solid central class (made up of families much like your own).

Next year, when the tempo of events speeds up, *The Digest* will be more interesting and more vivid and more important to more such people than ever before. Next year, advertisers will feel *The Digest's* tightened grip in terms of business done.

It is not yet too late to plan and produce an inclusive, incisive advertising series in *The Digest* for 1932. *The Digest* keeps close to the life of the times, going to press only seven days before delivery—thus having the speed of a weekly newspaper, plus its power as the leading news magazine.

Keep your prospects as well posted as *The Digest* keeps its readers. Send them your very latest news, every week in the year, by special messenger!

The Literary Digest has shown that quality circulation does not necessarily come in small packages. Over 70% of its subscribers are executives, owners of businesses or professional people. *The Digest* reaches 36% of all families of \$10,000 income and over,

and 20% of all families making over \$5000 a year. Its subscription list is a roster of ready buyers in the upper income brackets.

For 1932, advertisers buy a guaranteed average circulation of 1,400,000 preferred prospects. Ask for rates and further facts.

★ The Literary Digest ★

S O U N D I N G - B O A R D O F A M E R I C A N O P I N I O N

Advertising and Its Tomorrow

By EDWARD S. JORDAN

President, Jordan Motor Company

ILLUSTRATIONS BY G. LOHR

WHEN Pope Pius XI stepped up to the microphone to open the new broadcasting station in the Vatican at Rome prophetic recognition was given the most effective instrument yet developed for extending the dynamic power of publicity.

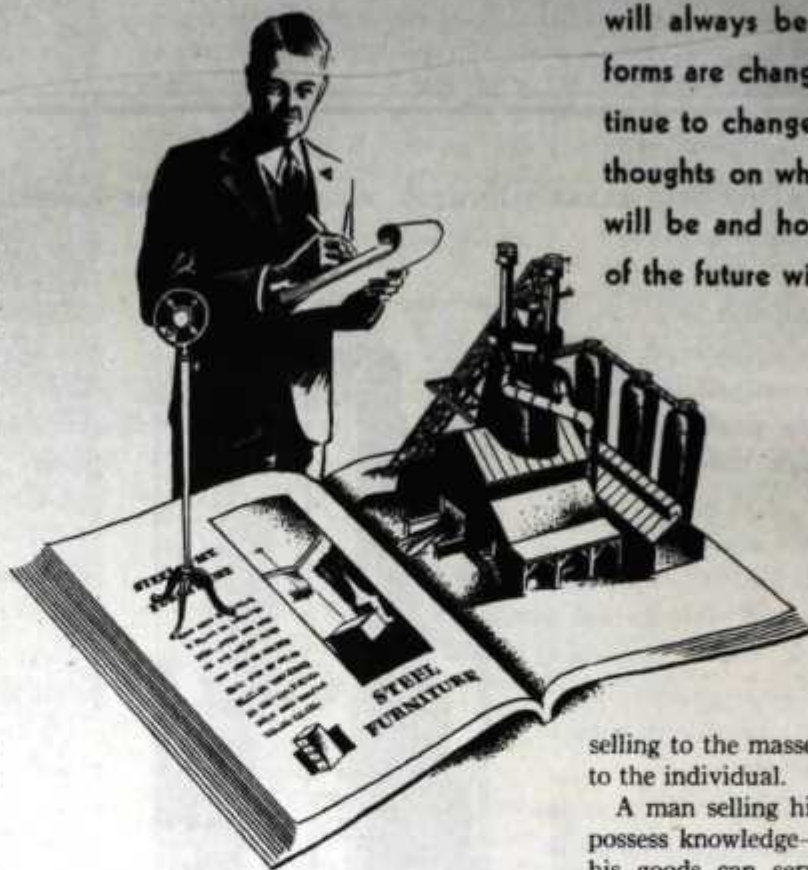
When again, on May 15, 1931, the world heard the chants and acclamations of pilgrims from many lands, followed by the trumpets announcing the arrival of the pontiff, another potent demonstration of the world's newest publicity agency was given.

About the same time Edward, Prince of Wales, was telling his countrymen that Yankee advertising and selling methods, so long considered vulgar by Britishers, were making it hard for Englishmen to get business in the territory which he had just scoured for orders.

Thus, the latest expression of the greatest social, economic and political power known to man, that of publicity, was accorded international endorsement.

It is not to be considered that the advertising of the future will utilize the radio and other new mediums of publicity to the exclusion of the old forms. Rather it will include the best features of the old and the new, all aiming at results attained with economy, always the vital factor. The fact that radio, talkies and television will dramatically serve social, religious, political and economic projects need not depress the publishers of newspapers, magazines and books. Circulation of these mediums will more likely be extended as the desire of the people to know is stimulated.

The presidential campaign of 1932



Advertising will be bought more and more as steel or any other material is bought

will unquestionably provide an epoch-making exhibition of the great publicity machinery of the future. It will have its dramatic, fantastic and amusing sides. It will be a job in which the old-fashioned politician can do little more than join the clique. Right now it looks like a grand opportunity for scenario writers, camera men, sound mechanics, and elocutionists, the last to teach candidates proper pronunciation and enunciation.

Fundamentals will be the same

WHATEVER the mediums and methods of the advertising of the future, however, the fundamentals will always be the same. The primary purpose of advertising and selling is and will continue to be to facilitate the efforts of one man to profit by rendering a service to another. The same principles apply in

● **THE fundamentals of advertising will always be the same, but its forms are changing and will continue to change. Here are some thoughts on what the new forms will be and how the advertising of the future will be applied**

selling to the masses as apply in selling to the individual.

A man selling his product must first possess knowledge—he must know how his goods can serve. Second he must possess spirit, the spirit to serve.

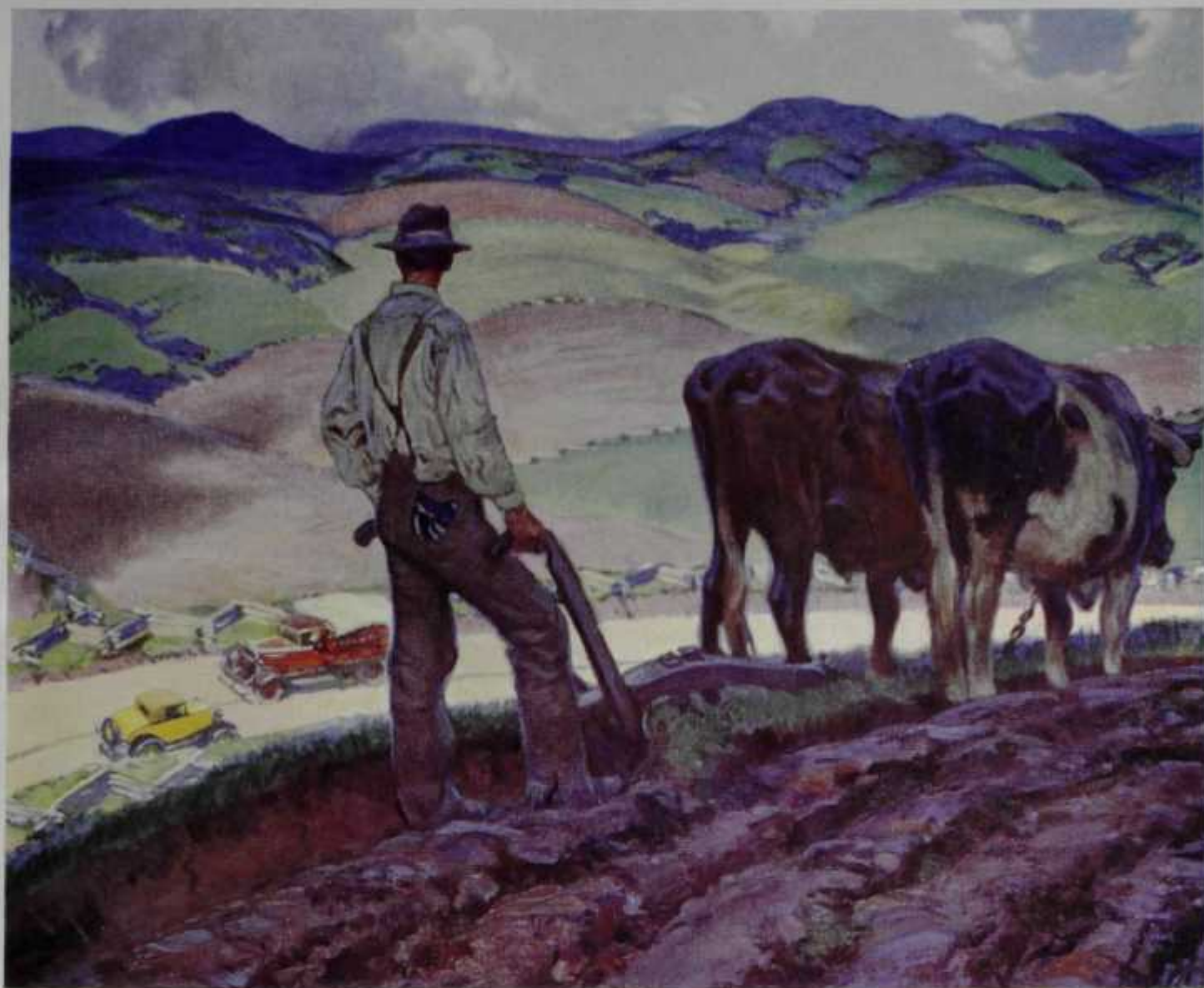
To know how his goods can serve, the real salesman must know something about his customers. He knows, for instance, that his customers have five senses; sight, hearing, taste, smell and feeling—and that these physical senses have their spiritual corollaries.

He knows that a woman prefers a gown in which she looks well. That's sight. Try to run a business in which women are employed without a mirror.

He knows that people are irritated by noises. Kate Gleason of Syracuse did a lot for the automobile salesmen of America when her company perfected the Gleason gear planer.

Taste comes next. Witness the dressing up of the radio cabinets, the interiors of motor cars and the bath rooms of today. Good taste is a positive necessity, even in labels on tomato cans. But feeling—how the customer feels about your product—is most important of all.

Possessing spirit, the real salesman must reflect the fact in his advertising



GROUNDWORK

"Mankind passes from the old to the new on a human bridge formed by those who labor in the three principal arts—agriculture—manufacture—transportation"

THESE WORDS are carved above the doorway of the Ford Engineering Laboratory. That they are not idle poetry must be plain to all who have driven over the country roads of America. For everywhere swift, economical transportation is freeing the chained energy of the nation as heat releases imprisoned energy.

Much of the nation's natural wealth still remains buried and impotent waiting for new roads and swift transportation to awaken them to life and usefulness. The hands of the producer of raw materials, the maker, and the carrier still have immeasurably profitable work to do when they learn to co-operate.

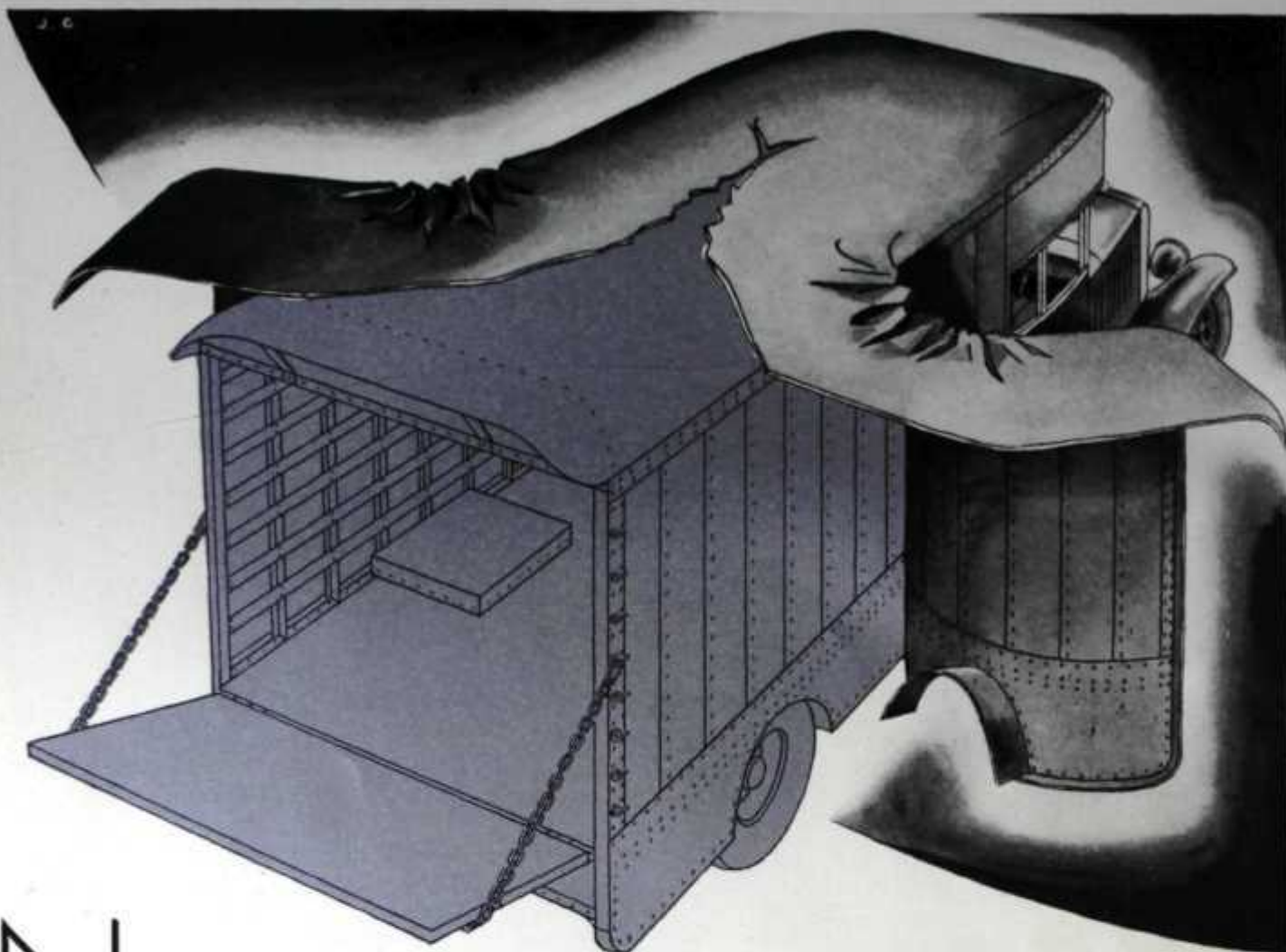
The Ford car was planned with the idea that growth and progress are in the hands of all the people, and not of any specially favored class. If an economical means of dependable rapid transportation could be placed at their disposal, it was believed people of moder-

ate means would recognize its value to them individually, and use it.

To date, over twenty million Fords have rolled out of the factories to run incalculable miles over the face of the earth doing service to mankind in a thousand ways!

The Ford today is as naturally a domestic factor in American private life, and in American business, as the horse was in another generation. The Ford car opens up the country to all! And business of every kind moves at a more productive pace because of it.

FORD MOTOR COMPANY



Nearly a ton of its weight peeled off— yet its body is still just as strong

Just to propel the truck chassis and body alone costs a certain amount. This is the dead-load for which you pay out money to move. Then you pile on merchandise called "pay-load" because it brings in money.

But here's the "catch." It costs just as much to move dead-load as it does to move pay-load. When the truck body is heavier than it need be, you lose! Whereas, when nearly a ton is lifted from the body-weight and replaced by pay-load—you profit!

These profit possibilities account for the order given by a nationally known concern (name upon request) to a western body builder. The order called for a body as strong as steel for long distance hauling, but lighter in weight. Using the strong alloys of Alcoa Aluminum, having the strength of structural steel but only $1/3$ its weight, the rugged construction was preserved but nearly

a ton, 1920 lbs. was peeled off the body weight.

Result! More merchandise is hauled with the same gas, oil and tires; savings continue to roll up with every trip, day and year. The cost of the Alcoa Aluminum body is soon absorbed while the savings go on and on.

Standard structural shapes of the strong alloys of Alcoa Aluminum are carried in stock. Sheets, plates, molding, rivets, bolts and screws are also available.

The booklet, "Alcoa Aluminum for Truck Bodies," contains the histories and operating data of many aluminum bodies now in use. It also has working drawings and bills of material for several different types of bodies. Write for it. ALUMINUM COMPANY of AMERICA; 2435 Oliver Building, PITTSBURGH, PENNSYLVANIA.



REG. U. S. PAT. OFF.

ALCOA ALUMINUM

When writing to ALUMINUM COMPANY of AMERICA please mention Nation's Business

to the public. The old-fashioned McGuffey's Third Reader type of copy is hopelessly out-moded today. Now the advertising pages must compete in reader interest with the body of the magazine. Editorial advertising copy is rare nowadays. Flaming youth and sophisticated grandmothers prefer a touch of seasoning with their cosmetics, gowns, shoes and other things.

Vigor in advertising

THE writer once composed a piece of copy about a car called the "Playboy"—spirited copy, with the vigor of boyhood and morning.

A girl fan wrote, "I don't want a position with your company. I just want to meet the man who wrote that advertisement. I am 23, a brunette and weigh 130 pounds. My wings are spread and I'm ready to fly to you."

Volumes have been written on the subject of salesmanship, but boiled down to its essentials salesmanship consists only of being able to speak the English language with some enthusiasm, of telling your story from the point of view of your prospect and of seeing enough people.

Advertising merely multiplies your contacts with people. Because a smiling human eye and an earnest human voice are powerful, the talking picture will become a factor in the advertising of the future.

The advertising of the new era will not be the crude radio product of today. Saks & Company of New York may entertain you with a talking picture visit to their store, introducing you to their designers and displaying their merchandise. R. H. Macy & Company, Inc., of the same city, may advertise its store through television cooking classes. Certainly the new advertising will have

to compete for interest with the regular features on radio and screen.

An advertisement is much like an individual. Let ten persons walk into a room. Nine may enter unnoticed; the entrance of the tenth is sensed by every one. He has character. Such an attribute is a most valuable thing in advertising.

Character or personality, call it what you will, in an advertisement, as in a person, depends upon simplicity, continuity of impression, dignity without pose, assurance without boasting and pride without egotism.

To conceive and apply such advertising involves an understanding of every phase of business and human relations.

Fundamentally, advertising is subject to the same fundamental rules which govern engineering, purchasing, production, distribution and auditing. Thus advertising in the days to come will be bought more and more as steel or any other material is purchased—by analysis and competitive price. In the past it has been bought on blanket circulation statements, with here and there a real effort at proving quality of readers and purchasing power.

The budget man will be the bogey man of the advertising departments. Engineers and production men who redesign a product and change a factory layout to save a dollar are going to make things unpleasant for the man who spends a million or two without knowing the why of every dollar expended. The waste in the past has really been enormous, and some of the largest corporations have been the most lax about getting value received for their advertising dollars.

It has been demonstrated that copy which commands readers, and analysis which determines market possibilities will enable a manufacturer to do as

much business as his competitor with a much smaller advertising expenditure.

In many cases it is quite apparent to advertising students that the man who is paying the advertising bill is going at it blind. If you ask this man about his cost of engineering or production he can tell you all about it. If you ask him about his advertising he will say, "Oh! I don't know anything about that. Mr. Jones and the advertising agents handle that."

John Wanamaker used to say that an advertisement is an open letter written by the head of the business for the world to read. You wouldn't trust the writing of that kind of a letter to just any one, and you'd want to check it over pretty carefully before you released it.

Yet advertising in too many cases is a hit or miss affair. Written by an advertising manager or an agency man, it gets no attention at all from the heads of the business or it gets too much. Sometimes the engineers, auditors, production men and others put in their criticisms. Sometimes it is disapproved by the wife of the boss.

In advance of the world

YET with all the faults of American advertising and its application, it is still far in advance of advertising as practised in other countries. Our methods and standards of advertising and selling must inevitably spread throughout the world. Our leading advertising agencies have branches in many of the principal cities abroad. World advertising rates will be standardized, merchandising ethics will become Americanized.

Once these developments have occurred our great productive capacity, supplemented by adequate distribution, will enable us to undersell the world in many commodities.



Good taste in advertising and selling is important. Witness the dressing up of motor-car interiors, of radios, bathrooms. Good taste is a positive necessity, even on the labels of tomato cans



A BRIGHT SPOT >>>

One Industry Makes
1931 Its Most
Successful Year

THE Electric Refrigeration Industry is headed toward a new high sales record. It expects this year to sell approximately 1,000,000 domestic and 300,000 commercial units.

No chance or lucky circumstance has had any part in this achievement. All credit belongs to the industry... to the manufacturer who built a product of record value... to the distributor and dealer who, in spite of "conditions", kept faith in the power of intelligent, resolute sales effort.

In broadening the market for electric refrigeration, the industry has made extensive use of the Instalment Plan. The offer of convenient terms to worthy customers has helped make sales. Here again as in the past, instalment selling has shortened the interval in which a new product shifts from the class of luxury to necessity.

Financing Since 1908

COMMERCIAL INVESTMENT TRUST CORPORATION

Executive Offices One Park Ave., New York

Subsidiary Operating Companies with Head Offices in New York
Chicago ~ San Francisco ~ Toronto ~ Completely Functioning Local
Offices in the Principal Cities.

CAPITAL AND SURPLUS OVER \$90,000,000



When writing to COMMERCIAL INVESTMENT TRUST CORPORATION please mention Nation's Business

What Wall Street Is Talking About

By MERRYLE STANLEY RUKEYSER

THE ABANDONMENT at least temporarily of the gold standard by Great Britain and other important countries has injected a new and partly incalculable factor into the international economic picture.

Conceivably, the breaking by John Bull of the gold fetters may mark the turning point in the world economic situation. At least it serves to relieve the pressure against the international commodity price level which resulted from England's frantic efforts to maintain prewar mint parity for its currency.

John Maynard Keynes, war-time adviser of the British Treasury, who had consistently maintained that it was a mistake for Great Britain to return to the gold standard on a prewar basis in 1925, now says that the romantic phase is over and that we can begin to discuss realistically what policy is for the best.

The immediate consequence in Great Britain of the new monetary policy was a rise in commodity and equity security prices. The end of the long-drawn price decline may serve to inspire business executives there to new activity. The stimulant may spread elsewhere, especially to countries like Norway, Sweden and Denmark, which followed England away from the gold standard. The effect of the abandonment should be to stimulate exports and retard imports in those countries.

In case partial repudiation in the form of currency revaluation should become necessary, Great Britain at least has the excuse that the action was forced upon it. The Bank of England was relieved of the obligation to sell gold at a fixed price only after foreign creditors had made a run on the bank for several weeks and threatened to drain it of its gold holdings. In this connection, Mr. Keynes pointed out:

"The difficult question to decide was one of honor. The City of London considered it was under an obligation of honor to make every possible effort to maintain the value of our money in the



The Bankers Trust Company addition provides new walls in Wall Street

terms of which it had accepted large deposits from foreigners, even though the result of this was to place an intolerable strain on British industry. As events turned out, we have obtained the relief we needed and at the same time, claims of honor have been, in the judgment of the whole world, satisfied to the utmost. For the step was not taken until it was unavoidable."

ENGLAND, Egypt, Norway, Sweden, Denmark, Bolivia, Australia, the Argentine and Mexico have departed from the gold standard and the possibility has developed that the United States and France alone will remain strictly on the gold standard. Viscount Rothermere, leading British publisher and financier, who has long advocated a radical change in British fiscal policy, doubts whether England will lose its

international banking business by its new program.

"We shall not necessarily even lose our international banking business by going off the gold standard," he recently said in a cable to the *New York American*. "What will most likely happen is that other European countries will follow our example in abandoning gold and will stabilize their currencies on the basis of sterling. London will continue to be their financial clearing house because the machinery of those operations is there.

"If widespread abandonment of the gold standard takes place, the huge stores of gold which artificial conditions of postwar finances have concentrated in the United States and France will lose much of their value."

OF COURSE, since the foreign debts to the United States are payable in gold, the adoption overseas of new monetary policies will have the effect of elevating even more America's creditor position. However, both the United States and France will be relatively dear-money countries and the monetary policies in those two countries will tend to encourage imports and discourage exports.

This aspect of the situation has already been reflected on this side in a demand for increased American protective tariff rates—a demand which, if granted, would tend to offset the corrective value of the recent monetary changes. The abandonment of the gold standard was in a large measure caused by the tendency in both the United States and France to prevent other countries from paying their debts in goods or in fresh promises to pay. Instead, the effect has been to suck gold into the United States and France from all parts of the world and to force other nations to abandon gold in order to seek relief in other ways.

If the other nations are inclined to return ultimately to the gold standard on the basis of the new value of their cur-



Your New York Banking Connection

MANY business concerns throughout the country maintain New York accounts with the Guaranty Trust Company. Each account receives the personal attention of experienced officers who are familiar with the customer's business and who keep in close touch with it, wherever it may be located.

In addition to rendering such individual service, the Bank makes available to its commercial customers the advantages of its ample resources and its exceptional facilities and contacts, national and international.

We invite executives to discuss their banking requirements with us.

Guaranty Trust Company of New York

140 BROADWAY

FIFTH AVENUE at 44TH STREET

MADISON AVENUE at 60TH STREET

LONDON PARIS BRUSSELS LIVERPOOL HAVRE ANTWERP

CAPITAL, SURPLUS AND UNDIVIDED PROFITS

MORE THAN \$295,000,000

E. G. T. CO. OF N. Y., 1931

rency, it behooves the United States and France to devise a more efficient technique for carrying on their trusteeship as possessors of three-quarters of the world's supply of monetary gold. The chief adverse effect of the new monetary policy overseas will be to place additional burdens on American exporters, especially on those in highly competitive lines which do not have a clear superiority resulting from productive efficiency. It will especially place a burden on the export of international raw products such as wheat and copper.

If, out of the emergency, a movement should develop permanently to demonetize gold in other countries—and this does not seem likely—then both the United States and France would find themselves in the position of Midas. Both countries would have to mark down the value of their gold holdings to what the metal is worth in the arts.

JAMES HARVEY ROGERS, Yale economist, in his book, "America Weighs Her Gold," which was written just before England abandoned the gold standard and published a fortnight after, points out:

"Among the most illuminating anomalies of our so-called advanced civilization is the gold standard. To the rationally inclined, that the weight of anything should be chosen and continued as a standard of value is strange enough. That it should be the weight of a substance which at the time of its choosing was usable only for ornament is stranger.

"Furthermore, the choice has proved to be that of a king or of a dictator rather than of a servant. Certainly no monarch in history has ever reigned with such unrestricted power or over so large a domain. His kingdom comprises almost the whole civilized world, and, largely under his control, is the economic prosperity and depression of the great hordes of his subjects.

"His eminent position is especially apparent when it comes to suggesting his dethronement. So firmly installed has he been in fact, that any one who raises his voice in criticism is sure to be silenced with no uncertain contempt.

"Even his Golden Majesty's throne, however, is no longer so firmly fixed. More than once has it been suggested that if the United States and France insist on taking most of the monetary gold of the world, why shouldn't they be allowed to have it all? Certainly no greater practical joke could be played on them."

The fundamental cause of the reversal



When will dollars go to Market again?



IN times of stress, the 86% of America's families whose normal income is \$3000 or less a year suffer most severely. Few of them have had any surplus funds to fall back upon. Millions have fallen behind in their bills. Many of them have gone into debt as deeply as their credit will allow them to go.

... EVEN with employment resumed, it will be a long time before they can get caught up. Much of their income will have to be applied against indebtedness for a long time before they are back in the market again.

... IN this state, and in twenty-five others where there is an equitable Small Loan Law, improvement of business does not have to wait until families can get even with their bills. Heads of families upon returning to work, may go immediately to reputable family finance companies, obtain cash loans, pay their bills at once, then repay the loans in small monthly payments which will not cripple their incomes.

... THE foremost family finance organization in America is Household. Its 147 offices located in 89 principal cities are playing a major part in getting the consumer's dollar into market again. To hundreds of thousands of families, Household lends amounts up to \$300 on the security which almost every family possesses. No stocks, bonds, or other bankable collateral are required. Only the signatures of husband and



wife are asked.

Up to twenty

months are allowed for repayment.

... THE vast scope of its service, coupled with efficient management, has enabled Household to reduce its rates on loans above \$100 and up to \$300 almost a third below the maximum charges allowed by law.

... TO further speed the return of prosperity, Household gives friendly and helpful advice to its customers, thus aiding them to get out of debt as promptly as possible while spending their incomes wisely.



MONEY MANAGEMENT FOR HOUSEHOLDS, a helpful booklet on budgeting family income, leading to the happiness of financial security, is offered without charge to all. Telephone, call, or write for a copy.



HOUSEHOLD FINANCE CORPORATION . . .

Headquarters: Palmolive Building, Chicago, Illinois

. . . (147 Offices in 89 Principal Cities) . . .

(Consult your telephone directory for the office nearest you) . . .

Turn the dial to your NBC Station every Tuesday night at 8:00 Central Standard Time and listen to the Household Hour, featuring America's foremost stars of the opera, concert, and stage, as well as leading thinkers in affairs of national importance.

Speeding the end of the depression . . .

Getting hundreds of thousands of families out of debt and into the market for the goods of producer and seller is the function of Household, America's foremost family finance organization. Last year Household lent over \$66,000,000 for paying accumulated bills, thus enabling more than 330,000 families to use most of their income for buying. How Household operates is described in this advertisement, part of a campaign in leading newspapers. For further facts about the economic importance of small loans to families, write to Dept. N9, Household Finance Corporation, Palmolive Bldg., Chicago.

When writing to HOUSEHOLD FINANCE CORPORATION please mention Nation's Business

Never Before

such
**READING
COMFORT**



Never before has reading been made so easy, so delightful. Never before has it been possible to read with such perfect comfort in your easy chair, bed or den.

Adjustable both as to height and angle, the Mitchell Floor Stand holds your books and magazines exactly where you want them. No arm or eye strain. Nothing to do but relax and read!

A handsome article of furniture, too—gracefully designed, strongly built, beautifully finished.

5 Days' Trial! Try this or any other Mitchell Reading Convenience for 5 days. If not enthusiastically satisfied, your money will be refunded.

Reading is such an important part of your life, you owe it to yourself to take advantage of this new, comfortable method. A lifetime of reading pleasure awaits you at the return of the coupon!

A Lifelong and Warmly Appreciated Christmas Gift

MITCHELL MOULDING CO.

Forest Park, Ill.

Dept. 4411

Send me details on Mitchell Reading Conveniences.

I enclose \$_____ Send me the following:

☐ FLOOR STAND ☐ LAP TABLE ☐ NEWSPAPER

—Walnut —Mah. —Walnut —Mah. —HOLDER

(\$12.50 charges collect; lamp, \$2.50)

(with privilege of return in 5 days for full refund if not satisfied.)

Name _____

Address _____



The Mitchell Adjustable Lap Table also enables you to read, write, study, etc., comfortably in easy chair, bed or den. Thousands in use. Handsomely finished. Complete with book supports and book clips. \$8.50.

Mitchell Newspaper Holder. Holds newspaper off table at convenient angle for reading. Neat, graceful, attractively finished in silver bronze. \$1. postpaid.



of the British monetary policy was the unchecked deflation or fall of the international price level, which had had the effect of adding 50 per cent to the real value of gold since Britain returned to the gold standard in May, 1925. If the real value of gold had remained stable, Britain would have had a much greater chance of succeeding in its attempt to keep the pound at its historic level. The British financial crisis was one of the effects of uncontrolled deflation and liquidation. England has now temporarily turned to the reverse process of moderate inflation.

Another consequence of the long deflation has been the recent epidemic in this country of wage cutting by leading corporations which had shown forbearance and restraint for two years. Wages and other industrial costs had got out of balance with prevailing commodity prices. Restoration of equilibrium was plainly desirable, though numerous economists, with their eye on the social consequences of the trend, would have greatly preferred to have seen the balance restored by raising prices rather than by cutting wages.

Of course, inflation in Great Britain resulting from a depreciation of the pound sterling has the effect of lowering real wages there, and also cutting other fixed charges, including rent and interest. Such savings are expected to enhance the competitive power of British industrialists in world markets. The trade unionists, thinking in terms of nominal wages, persistently oppose modification of the wage level. As events now stand, Britain is leaving nominal wages alone but is watering the value of such wages through debasement of the currency.

WHATEVER the consequences of recent activities may be, it is apparent that many of the events about which the

business world was concerned have at length come to pass. The troublous news is out of the way, and the world has gone far towards completing the economic readjustment. Efforts at Franco-German pacification, if successful, could go far toward restoring world confidence and improving European credit.

Recent events have emphasized the international character of business and finance, and traditional provincialism, under the lash of events, must yield to a wider understanding of the forces that make up the modern world.

EDDIE CANTOR, political economist of the revue stage, recently told me that the depression would end when President Hoover runs out of committees.

UNDER the harrowing effects of continuing depression, numerous economic observers show a tendency to confuse symptoms with causes. The recent outcry against short selling is indicative of this new emotionalism in finance. The fallacy recurs that the way to keep the heat out is to smash the thermometer. There recently has been an overproduction of nostrums and questionable remedies.

Nevertheless, creative thinking about ways and means of establishing a more rational, scientific economic order should not be discouraged.

In a recent address before the Affiliated Better Business Bureaus, Inc., at Cincinnati, I attempted to formulate some of the sounder proposals which have been made for stabilizing business. They include the following:

1. Quicken federal public works and enlarge the routine conception of what useful public works may be.
2. Private business to cooperate in the direction of pushing forward an

Largest and Leading Southern California Bank



SECURITY-FIRST NATIONAL BANK OF LOS ANGELES

The Department of Research and Service of Security-First National Bank is prepared to furnish detailed information regarding any line of business, whether commercial, agricultural or industrial, of Los Angeles or Southern California.

Once a month the Department publishes a Summary of Business Conditions in the economic area served by the Bank. This review covers agricultural conditions, wholesale and retail trade activity, the situation in banking and the securities markets and the major industrial activities of the region. This is mailed free upon request.

Reprints

of NATION'S BUSINESS articles will be furnished at cost in quantities of 100 or more.

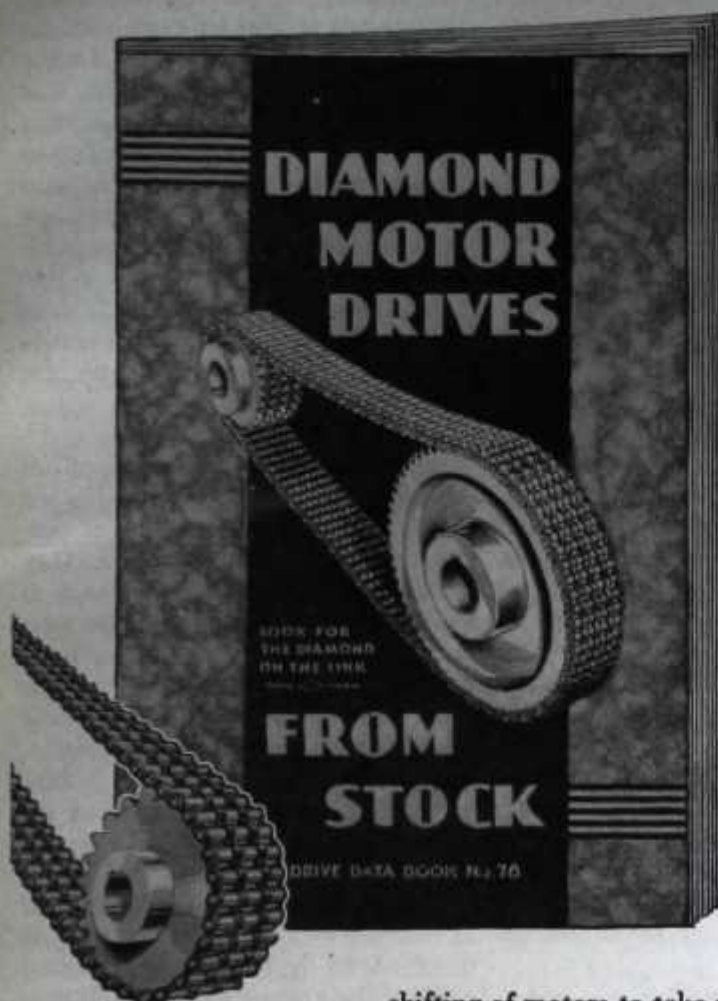
Where Business Will Meet in November

DATE	ORGANIZATION	CITY
2	Tri-State Florists Association	Fargo, N. D.
5	National Conference of Business Paper Editors	Chicago
5-6	Wisconsin-Upper Michigan Florists Association	Milwaukee
9-11	National Municipal League	Buffalo
9-13	American Bottlers of Carbonated Beverages	Dallas, Texas
9-13	Crown Manufacturers Association of America	Dallas, Texas
10-12	American Petroleum Institute	Chicago
10-13	National Association Practical Refrigerating Engineers	Houston, Texas
10-14	Master Photo Finishers of America	Toronto, Ont.
12-13	Illinois Association of Ice Cream Manufacturers	Champaign, Ill.
15	Maryland, Delaware and District of Columbia Ice Association	Baltimore
17	California Redwood Association	San Francisco
17-20	National Association of Ice Industries	San Antonio
17-20	Southwestern Ice Manufacturers Association	San Antonio
18-19	Illinois Telephone Association	Peoria, Ill.
20	American Drop Forging Institute	Chicago
20	Southern Appalachian Coal Operators Association	Knoxville, Tenn.
30	National Association of Amusement Parks	Chicago
30	National Silo Research Council	Chicago

Secretaries of national trade associations are urged to notify Nation's Business of their coming meetings. Notice of conventions should reach Nation's Business at least 30 days before date of publication of the issue in which they are to appear.

THE "PERFECTED" MOTOR DRIVES

AVAILABLE FROM STOCK



Ask for this Drive
Catalog No. 78

Your nearest distributor or we will supply a copy. With it the selection of the right drives is just a matter of turning to the right page.

"Perfected" is a rather strong word but is used because we believe—in Diamond Motor Drives—you get *all* of the things you want when looking for the *entirely* satisfactory drive. Diamond Drives are:—

Positive—the exact same speed is maintained for the driven shaft throughout the life of the drive; you get both uniform production and uniform production rate.

Efficient—between 98 and 99% of applied power is delivered *continuously* to the driven shaft.

Quiet—no combination of moving metal parts can be absolutely silent—but there is no distinguishable noise in the properly applied Diamond Drive.

Flexible—a Diamond Drive is suited to long or short center distances—you can make frequent changes in centers if this is a convenience or necessity in your operations.

Compact—per unit of horsepower transmitted Diamond Drives require less space both in diameter of pinions and followers and in total width of drive.

Clean—lubrication is required—but a simple inexpensive enclosure eliminates all trace of oil around the drive and adds to the appearance. There are no flying particles and dust.

Economical—not the cheapest but moderate in first cost and decidedly economical in final cost because of longer life and little or no maintenance—no need for frequent shifting of motors to take up slack—no expense or delays in frequent replacement of "connecting members" that have stretched so they no longer pull.

Diamond Drives are used in 112 major branches of American Industry—they are the same type of drives as the timing drives standard on such high grade motor cars as Marmon, Nash, Fiat and Lancia (Italian) where the drives must combine all the features you get when you use Diamond "Perfected" Motor Drives.

Diamond Drives are carried in stock for immediate delivery by the firms listed below. Note the one nearest you and ask them for quick delivery the next time you need a drive. DIAMOND CHAIN & MFG. CO., 417 Kentucky Ave., Indianapolis, Ind.

THESE DISTRIBUTORS CARRY DIAMOND STOCK DRIVES

Which one is located nearest you?

AKRON, OHIO
Akron Gear & Engr'g Co.
42 E. South St.

BALTIMORE, MD.
L. A. Benson Co., Inc.
8 E. Lombard St.

BIRMINGHAM, ALA.
Moore-Handley Hardware Co.

BOSTON, MASS.
Union Gear & Machine Co.
195 High St.

BUFFALO, N. Y.
Root, Neal & Company
64 Peabody St.

CHICAGO, ILL.
Cullman Wheel Company
1354 Altgeld St.

CINCINNATI, OHIO
Wirthlin-Mann Co.
Plum & Commerce Sts.

CLEVELAND, OHIO
Ohio Gear Company
1333 E. 179th St.

DETROIT, MICH.
Palmer-Bee Company

HARTFORD, CONN.
Hartford Special Mach. Co.

JACKSONVILLE, FLA.
Georgia Supply Company
821 Bay St., East

KANSAS CITY, MO.
Es Mueller Mill Furnishing Co.

LOS ANGELES, CALIF.
Chain Belt Co.
1414 Santa Fe Ave.

LOUISVILLE, KY.
Neill-LaVielle Supply Co.
505 W. Main St.

NEW ORLEANS, LA.
C. T. Patterson Co., Inc.
801 Tchoupitoulas St.

NEW YORK CITY
R. M. Barwise, Inc.
18-20 Hudson St.

ORLANDO, FLA.
Harry P. Leu, Inc.

PHILADELPHIA, PA.
Robert L. Latimer & Co.
24-28 N. Front St.

PITTSBURGH, PA.
Schaffer Poidometer Co.
2818 Smallman St.

PORTLAND, ORE.
Chain Belt Co.
67 First St.

ROCHESTER, N. Y.
John M. Forster Co.
110 Mill St.

ST. LOUIS, MO.
Es Mueller Mill Furnishing Co.
1216 S. Eighth St.

SALT LAKE CITY, UTAH
The Galigher Co.
228 S. W. Temple St.

SAN FRANCISCO, CALIF.
Chain Belt Co.
909 Harrison St.

SAVANNAH, GA.
Georgia Supply Co.
26-32 Bay St., West

SEATTLE, WASH.
Chain Belt Company
1212 Sixth Ave., So.

SIMCOE, ONT.
Cannors Machinery, Ltd.

SYRACUSE, N. Y.
Nixon Gear & Machine Co.
200 Oxford St.

TORONTO, ONT.
Hamilton Gear & Machine Co., Ltd., 76 Van Horne St.

WICHITA FALLS, TEXAS
Wilson Mfg. Co.

VANCOUVER, B. C.
Chain Belt Co.

DIAMOND STOCK DRIVES

THIS Bearing Metal positively reduces maintenance costs!

"SABECO"



WHEREVER you use bronze bearings in your production equipment—or in the equipment you manufacture—maintenance costs can be materially reduced by standardizing on "SABECO"—the bearing metal that stands out above all others for its extraordinary long life.

Try it—and take particular note of the better performance of your equipment, and the material savings achieved thru its use—you will find it worth while.

If you would like detailed information—write

FREDERICKSEN COMPANY

841 S. Water Street
Saginaw, Mich.

5-108 General Motors Bldg.
Detroit, Mich.

27 S. Jefferson St.
Chicago, Ill.

Room 418-E.—30 Church St.
New York City

194 Fourth St.
Milwaukee, Wis.

634 Slater Bldg.
Worcester, Mass.



accumulation of engineering projects for desirable capital improvements.

3. Formulate a deliberate central banking policy of prudent credit easement and greater liberality on the part of commercial bankers in accommodating solvent borrowers, especially small borrowers.

4. Revise the tariff rates downward, and institute the policy of reciprocity, injecting better merchandising sense and Yankee shrewdness into tariff-making.

5. Make long-term commodity loans to backward countries to enable them to take our surplus supplies off the market.

6. Set up machinery, with the aid of chambers of commerce and trade associations, for better industrial planning and economic coordination.

7. Modernize antitrust laws to encourage industry to eliminate economic waste.

8. Reduce the pressure of taxation and the spectacle of increasing deficits through suspension of sinking-fund payments on the national debt until business reaches normal.

9. Settle the question of intergovernmental debt payments now, instead of waiting for the end of the moratorium year.

10. Reduce the weight of taxation through drastic cuts of expenditures for armament.

11. Encourage invention to enable enterprising business executives to offer a better product for less money.

12. Redistribute leisure, through shortening the work day and the work week.

BUSINESS sentiment doubtless would be stimulated by a liberal treatment by the Interstate Commerce Commission of the request of the Class I railroads for an emergency freight-rate increase of 15 per cent. Current earnings of the railroads are pauperizing the carriers and threatening the discontinuance of their best bonds on the lists eligible for investment by savings banks and trustees.

Another constructive development which has not been duly appraised in the public mind is the proximity of agreement among the eastern railroad magnates on plans for consolidation of all the eastern railroads into four major systems.

Uncertainty concerning the federal tax outlook is disturbing business equanimity. It has been understood that President Hoover desired to keep an open mind on the matter of the need of

tax increases until the budget was ready. The Treasury, however, believes that Congress will be deluged with numerous proposals, particularly from the radical wing in Congress, for large increases in surtaxes and inheritance taxes with the purpose of overcoming current deficits.

High Treasury officials think that such a course would be fallacious since there is no insurance that increases in the rate would augment the flow of taxes to the Treasury. Higher surtaxes might well curtail revenue by inducing wealthy men to put more of their funds in tax-exempt securities and into nondividend paying stocks of strong but temporarily depressed corporations.

SOME Treasury officials think well of the selective sales or production tax but doubt the political feasibility of putting through a general sales tax. They recognize that if certain items such as food and fuel were exempted, the sales tax idea might be more acceptable politically. Some Treasury officials also think that a small tax on bank checks would be a fruitful source of revenue.

It should be borne in mind that some of the leading modern economists are not concerned about current Treasury deficits in view of the fact that during prosperity the United States went so far in reducing its total indebtedness. They think it is all right to let deficits run for a while until more normal conditions are restored. They are not in sympathy with President Hoover's demand for stringent economy in governmental outlays.

Prof. Jacob Viner, of the University of Chicago, pointed out at the Institute of Politics at Williamstown, that a sound Treasury policy for periods of prosperity might well be unsound in times of depression. In times of prosperity he advocated the policy of taxing heavily, spending federal funds lightly, and paying off existing debts. But in periods of abnormal depression Professor Viner advocates the reverse policy of taxing lightly, spending heavily, and borrowing, "if what is to be served are the interests of the country as a whole and not merely the convenience and the prestige of the Treasury itself. . . . When business activity is declining, or is stagnant and at a low level, increased expenditures, reduced taxation, and budget deficits are, from the point of view of the national economy as a whole, sound policy rather than unsound."

In urging wise public expenditures, he pointed out that, in so far as the capital and labor would otherwise be

idle, "from a national as distinguished from a Treasury accounting, the value of the basic raw materials consumed is almost the sole cost to be charged against them."

AT A TIME when there was a bear market in the public esteem for business leadership, Merle Thorpe, editor of NATION'S BUSINESS, has written an inspiring volume entitled, "Organized Business Leadership."

It should help the able and responsible heads of industrial and commercial institutions to regain necessary self-confidence. Mr. Thorpe not only discusses the anatomy of leadership, but also what may be described as the soul of leadership.

Few will question Mr. Thorpe's conclusion that "There probably never was a greater opportunity for intelligent leadership."

Keokuk Merchants Hold Transportation Parade

THE RETAIL division of the Keokuk, Iowa, Chamber of Commerce staged a bizarre gathering recently when it put on a parade representing "Progress in Transportation" during the last century. Some of the vehicles featured dated back nearly 100 years.

An old car of 1915 manufacture, which sold at a moderate price was one feature of the event. It ran a hundred hours continuously, visiting all the nearby towns in Iowa, Illinois, and Missouri, to advertise the parade.

This car headed the procession and was later sold at auction, at a profit to the committee.

Throngs packed the streets the entire day and, after the parade, several blocks along the principal thoroughfare were roped off. Here the old vehicles mingled with the ultra-modern in automobiles and the people had ample opportunity and time to inspect and compare vehicles, both old and new.

This feature was of great educational value in teaching the younger generation the means of travel used by their forefathers.

The merchants reaped a rich harvest from the crowds which patronized the stores, making it one of the biggest days Keokuk merchants have experienced for a long time.

Print YOUR OWN



**Sales Letters
Price Lists »
Forms, etc. »**

MULTISTAMP is the perfect answer to the present urgent need for quick action and small cost in business printing. With Multistamp you can turn out a thousand price lists, forms, or letters at minimum cost before a printer could set the type. . . . Print clear, snappy copies. Typing, handwriting, and drawings may be reproduced at one impression.

Multistamp stencils cost but a few cents. They may be filed and used again and again. Multistamp has no moving parts. There's no type to set. Nothing to get out of order. Doesn't have to be inked every time it's used. Every outfit guaranteed for five years. Prints on any grade paper, or on cloth—any smooth surface. More than 300,000 Multistamps in use. Standard equipment in many of America's largest companies. So economical that the small business can use it profitably.

There is a size Multistamp for every need. The largest outfit takes up less space than a typewriter . . . costs only \$60.00 completely equipped, ready for use. Does everything that big, expensive equipment can do. Adaptable to many more jobs. Any one can use it.

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on Your desk!*

\$60⁰⁰
or less

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Please send me full information about the Multistamp and samples of work.

Name

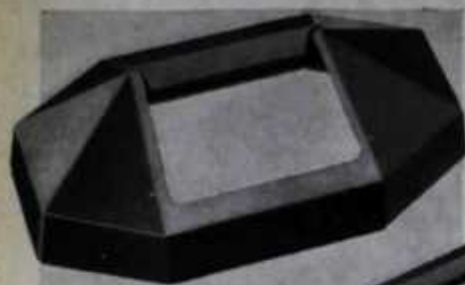
Address

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When writing to THE MULTISTAMP COMPANY, INC. please mention Nation's Business

you Can't Cut Costs?

Take another look
at this question
of Stampings



A 22 gauge Seamless Steel
Tucker Case manufactured by
G. P. & F. for a leading
manufacturer.

THE foreigner travels thousands of miles to see the Chicago Stockyards. But the Chicagoan never goes—and wonders why such a fuss is made about them.

The same with cost-cutting methods. Because they may seem like "old stuff" you are apt to overlook their value altogether.

In today's need for price readjustment consider your product all over again in the light of G. P. & F. stampings. Or better still, let us do the considering. We're used to it and may see several places to economize where you see none. G. P. & F. have had 50 years experience in the business of saving money for manufacturers, in making products more attractive, more salable, and more durable.

Reconsider the question of your using stampings. Send us a sample of your product—or a blueprint. Meantime, get the booklet "In Harmony with Progress." It's free.

GEUDER, PAESCHKE & FREY CO.
Sales Representatives in Principal Cities in
all Parts of the Country.
1419 West St. Paul Avenue
Milwaukee Wisconsin

Send for this
Booklet



G. P. & F.

STAMPINGS



TWENTY-FIVE YEARS ago Christmas Seals began fighting tuberculosis in the United States. Today the death rate from this disease has been cut in half. But tuberculosis still kills more people between the ages of 15 and 45 than any other disease—in the prime of life. This represents, in loss of life and wages and in treatment, an economic cost to business of \$1,071,000,000.

FIGHT TUBERCULOSIS

Buy Christmas SEALS

We Pay Too Much for City Government

(Continued from page 27)

two years. Behind the Tennessee plan is a ten-year experimental record.

James County was consolidated with Hamilton in 1919.

Since the consolidation paved roads in James County territory have been extended from five miles to forty-five miles.

Before the consolidation, James County schools were in session a little more than four months each year. Last year they were in session a little more than nine months.

And these advances have been realized in the face of the fact that the tax rate today in the old James County area is exactly half what it was in 1919 before the consolidation.

Improvements are in sight

IN ADDITION to the municipal research organizations, privately sponsored bureaus devoted to the same purposes as regards state expenditures already are operating in several states.

Within the last year, North Carolina has adopted a new local government act, designed to correct abuses of long standing in the matter of excessive taxation and debt flotation in the local governments.

The act imposes budgetary control on cities and counties and provides for the appointment of a financial administrator for the smaller taxing units whenever they default on debt services. A state board of fiscal experts must give their approval to every bond issue of the subsidiary units.

Control over local units

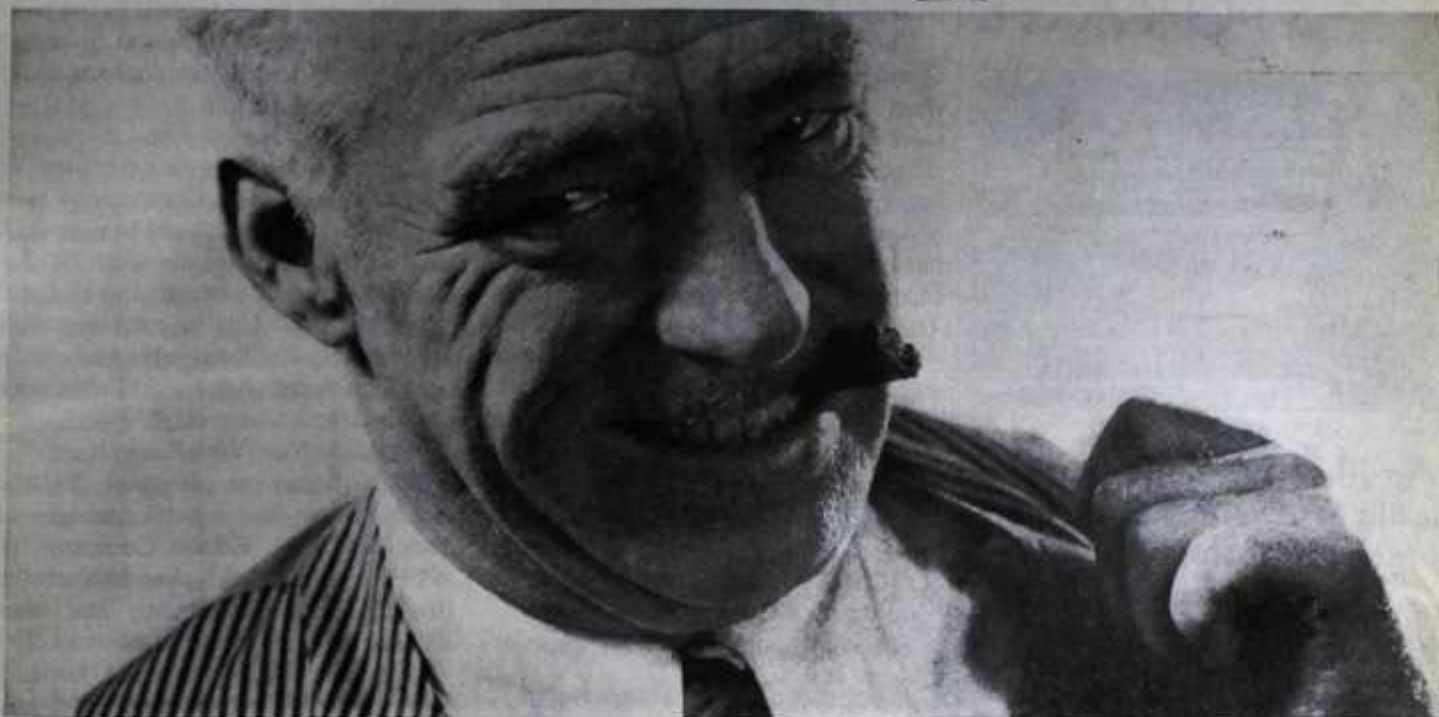
NEW JERSEY likewise has provided modern administrative methods to stimulate the general adoption of city and county budgets.

Massachusetts blazed the trail in this direction more than ten years ago, and Indiana, Iowa, Wisconsin and several other states have since followed her lead with some form of state control over local finance.

Such activities are significant and encouraging.

They give hope that government spending will get what it most needs to insure economy, constant conscientious watching by the business of the city, the state and the nation.

"I don't pay any TAXES!"



★ POPULAR FALLACIES OF BUSINESS ★

"Nothing is certain but death and taxes." So runs the old adage. Few will dispute the inevitability of death; there are some, however, who challenge that claim for taxes.

"Let the corporations and rich men worry about the taxes," they exclaim. "I don't own property. Taxation means nothing to me." Meanwhile the nation's tax bill mounts to new high totals.

Today the tax collector demands from every man, woman and child in the United States the equivalent of one day's labor each week.

One person out of every eleven now gainfully employed is on the public payroll, and has to be supported by all the rest. Only a few years ago the allotment was one person for every twenty-two. So rapidly is it mounting, statisticians

tell us, that if the present rate continues, 1953 will find one person on the tax payroll for every single individual working to provide that payroll.

The fallacy as to who pays taxes has done more than any other single thing to pile that burden higher. If there is any man who doesn't pay taxes, he doesn't eat, or pay rent, or smoke, or carry insurance, or ride in automobiles or street cars. The taxes which every business house pays must be added to its cost of doing business.

The baker wraps up part of his taxes with the bread he sells. The landlord passes them on in rent bills. Railroads add them to freight and passenger rates. Everybody who buys anything pays taxes. Taxes concern your business not merely

because they weigh down operating budgets with fixed, unavoidable expenditures. They likewise are a drain on public buying power.

Unwise taxation is a severe competitor for the consumer's dollar.

Nation's Business helps business and helps you by presenting the truth about our present non-stop flight of taxes. It explodes the harmful fallacy that Government money is "free"—and costs nobody anything. It shows consumers that when they advocate unnecessary public expenditures they are spending their *own good* money—even though they don't actually draw and sign the checks.

No matter what your business, you need Nation's Business. The subscription price is \$7.50 for three years.

★

WHAT POPULAR FALLACY MISREPRESENTS YOUR BUSINESS

Every industry, every business, has its popular misunderstandings: real estate, construction, farming, advertising, retailing. Write me personally of yours. They will be discussed currently in *Nation's Business* and, through the courtesy of the National Broadcasting Company, over a nation-wide radio hook-up.

MERLE THORPE, *Editor.*

This is one of a series of advertisements appearing in the Saturday Evening Post, Collier's, and selected newspapers. A complete set of proofs may be had by addressing 850 Graybar Building, New York City.



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BY THE UNITED STATES CHAMBER OF COMMERCE

fast TRANSFER Safe STORAGE



Concrete warehouses, fireproof

An Ideal Layout... modern facilities... newer shipping practices make Galveston the Southwestern Port

Ship via Galveston. An on-the-sea harbor where vessels enter and leave with dispatch! Short hauls... one switch from rail yards to wharf. Minimum car and ship detention. Steamship agencies have regular berths, cargoes are assembled freely and without delay. Shipside warehouse storage area exceeds 5,000,000 square feet.

More than a century of shipping experience, 77 years of central control! All activities are co-ordinated for efficient port operation—one supervision, one billing. Every facility for handling shipments with speed and economy. Ships to all the world, express-like coastwise service, five trunk line railroads covering the Southwest. Mail the coupon today for additional facts.

Port of

GALVESTON

Consider Galveston as a base for manufacturing or distributing.

TEAR OUT THIS COUPON:

EXECUTIVES:

The Galveston Wharf Company,
Galveston, Texas.
Gentlemen: Please enter my name (without obligation) for a free sailing schedule, "Ship-pers' Digest," giving sailing schedules, etc.

Business

Street City State

When writing please mention Nation's Business

Lighting New York Tomorrow

(Continued from page 23)

liness. Perhaps it is confidence that the other man will give the best that is in him.

"Demand the best and you will get it."

That's leadership.

Thirty years ago the General Electric Company was one of the great organizations which scouted for talent. Its searchers made the rounds of the technical schools annually. The more promising graduates were given a two-years' apprentice course at hard work. Very hard work indeed. The young man who failed was advised to try another line. The young man who made good was given the finest kind of a reward. He was given more work and harder. At the end of Sloan's two years he received a sort of a medal of honor.

When he won his spurs

"GO to Washington," said the G. E., "and set up a Curtis turbine."

The point is that not many engineers



"Before we put electricity to work for the wife she stayed at home and cooked"

knew much about turbines then, except that they were large, fast machines that often stripped their blades. Sloan went to the St. Louis Exposition after that with another turbine and then the G. E. took him up on a high place and gave him the earth:

"You," said the General Electric, "have won the job at Tokio."

"Who?" asked Sloan. "Me? Not me. This country is too good."

Ninety-nine youngsters would have

accepted. Tokio, kimonos, jinrikishas, independence, money, the seething East, all the elements of adventure and romance. The hundredth man did not. Presently he installed a turbine at Birmingham and found himself in the public-utility business. He began to devise new ways in which Birmingham could use the current he sold—

So New Orleans got him.

Four years later the vice president of the Consolidated Gas Company of New York came to New Orleans to play golf. He said that he had come south to play golf. He said that he wanted to loaf and he preferred to loaf in company with Matthew Scott Sloan, who loafs at a very high speed. After a while the vice president had had enough.

"Come to New York," said he.

Sloan began as assistant to the vice president and general manager of The New York Edison Company. In 1919 he was elected president of the Brooklyn Edison Company and since 1928 he has been the president of The

New York Edison Company, The United Electric Light and Power Company, the York & Queens Electric Light and Power Company and the Yonkers Electric Light and Power Company in addition to the Brooklyn Company. Few heavier jobs can be imagined than that of purveying electricity to New York City. Producing it isn't the difficulty, as he has said. It is the distribution that pinches. But producing it is hard enough. The six power plants must be ready to pick up any unexpected load at any minute. The shift from almost nothing to capacity must be made immediately and automatically. Therefore 28 of the 30 units that produce power equal to that of two million horses are in use and the other two are "floating." An electrically controlled vacuum tube glows somewhere and they go to work. The human hand hardly touches them.

No break in service

THE load curve runs down to almost nothing after midnight and up toward the roof in the early evening. The system is flexible. Above all it is safe. There must never be a break. The New Yorker may not have reasoned it out,

but above every other thing he hates the dark. For all the complexity of that organization, electricity costs only 20 cents for current that costs 80 cents to deliver.

The six power plants are clean and almost empty. One rarely sees a man. The coal is handled automatically. The servant that works for every one everywhere works here for itself. No noise, no confusion, no muss. A power house is cleaner and less noisy than many a city hall. Each month Sloan holds a staff meeting in one of them. Lunch is served. Then the 75 top men of the companies break out in an acute rash of discussion. The men of the staff are each an authority in his line. There are no yes-men. Among them are the research men who are forever digging into problems of physics and matrimony and civics to find some way of using that enormous mass of machinery which is practically idle after midnight.

"The way will be found," said Sloan. "We have not found it yet. But there are no limits in this business."

Seeking a future leader

THEN the 75 begin a quick march through the power house. Heaven help the housekeeper who leaves dirt in the corners for these eyes to see. Sloan and the 75 keep eyes on the key men of the plant in this way and watch the apprentice youngsters who may be tomorrow's key men. The day may come when one of the youngsters or one of the key men may sit where Sloan does today. The staff man who finds the right man has done a big thing.

"Give initiative and ambition a chance and you will get somewhere. Stifle it and you will get nowhere.

"That is why experiments in business made by a government have failed."

When a customer asks the New York Edison for service he gets it. Perhaps it costs \$1,000 to run the wires to him. Perhaps he will pay a dollar a month. The Company will give him what he wants cheerfully, assured that before long he will have neighbors and the new line will pay. It spends 100 million dollars some years in its extensions and enlargements.

"Suppose we had to go to the Board of Aldermen and ask an appropriation of \$1,000 to get a revenue of \$12 a year. How soon would we get it?"

It is for this reason that he is not at all afraid of socialism and government ownership.

"We will see less and less of government in business.

"Look back at the last time you had

Let us prove to you..

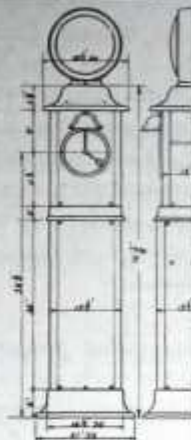
WHAT WE PROVED TO THE MAN WHO BUILDS PUMPS

1



*The old, high-cost, product
Weight 600 lbs.*

2



*Redesign—with the help of
YPS Engineers—of new,
low-cost product.*

3



*The finished product
{Stampings by
YPS} weight
SAVED
240 lbs.*

RESULTS:

This manufacturer says, "The old-style pump weighed 600 lbs. The new style weighs 360 lbs." **SAVED—240 lbs.** of dead, useless, weight. Greater strength, greater eye-value, more sales and more profits.

WRITE

May we do for you what we have done for many, many others? A survey costs you nothing. Does not obligate you in the slightest. Write for free booklet "Adventures in Redesign"—it tells the story.



"Press it from Steel Instead"

YOUNGSTOWN PRESSED STEEL CO.

311 UNIVERSITY ROAD

WARREN, OHIO

A COMPLETE ENGINEERING & MANUFACTURING SERVICE

When writing to THE YOUNGSTOWN PRESSED STEEL COMPANY please mention Nation's Business

at Dawn with the Electric Industry

IN 1880, two years before Edison started his famous Pearl Street Station in New York, the Rochester Electric Light Company was supplying arc light service in Rochester, New York. This company, which has since become part of the Associated System, had to string wires between buildings as poles had not yet come into use.

Other Associated properties that started at dawn with the electric industry include those serving:

Reading, Pa. 1883
New Bedford, Mass. 1883



1882—Electric Plant at Genesee River,
Rochester, New York.

Binghamton, N. Y. 1884
Johnstown, Pa. 1885
Cambridge, Mass. 1886
Hornell, N. Y. 1886

Associated electric companies, seasoned in service, are participating in the rapid growth of the industry, an expansion that promises to double electric output in the next decade.

To invest, or for information, write

Associated Gas & Electric System



61 Broadway, New York

Men at sixty

Do you know there is a safe investment, which yields 9 1/4 percent on the principal sum?

A Life Annuity guarantees you this fixed income for life. It is a sound business arrangement, fully explained in our booklet, "You Can Have An Income As Long As You Live." Send for your copy today.

John Hancock
LIFE INSURANCE COMPANY
OF BOSTON, MASSACHUSETTS

Address

John Hancock Inquiry Bureau
197 Clarendon Street
Boston, Mass.

N. B. Over Sixty-Eight Years in Business



Game Hunting

is Great Sport—but
"KEY-HUNTING"
is something else!

Thousands of banks, offices, schools, office buildings and other institutions have solved the vexing, costly key problem by installing

TELKEE
TRADE MARK

the Visible Key-Filing - -
Key-FINDING System

Locks serve no useful purpose unless keys are protected. TelKee provides a Visible System for keeping a reserve pattern key for every lock.

All keys immediately available—protected in steel filing cabinets—controlled under one lock only by persons with authorized access.

Write for full information.

Thayer **TELKEE** Corporation

108 East 17th St. :: Los Angeles, California

to visit a city or state bureau to find out what was wrong about your assessment. How long did it take you?"

Muscle Shoals is the best place he can think of for the Government to make another business failure. It can do very little harm down there.

"The Government can never make a success of Muscle Shoals. The best thing to do is to charge off the cost as another war loss."

Boulder Dam will not succeed as a power project, he thinks. It is to be considered only as an irrigation and water supply scheme. "As a power plant it could not pay. It could never pay."

The maze of government books

THE books may show it as paying, he admitted. Government bookkeeping may be made to show almost anything. There are so many ways of charging expenses to other departments and other bureaus and hiding them in such a fog of charges and recharges and allowances that the Three Wise Men could not find the truth. The classified accounting system which all utilities use, because they must know their costs and profits to the final decimal, would show up the sham in state accounting. But it will never be used. For example—

"We produce electricity in New York City at a cost of one-half cent per kilowatt-hour. The amount of coal used is 1.02 pound. The steam plant has cost \$60 to \$70 per kilowatt.

"The cost of the dam and penstocks and machinery which go into the creation of a water power plant will run up to \$400 to the kilowatt and average \$200. Exceptions, of course, are Niagara Falls and the St. Lawrence if that is developed. When the power has been produced at the dam it is still at a distance from the place where it is needed. Suppose that we were given power free at Niagara. How much would it cost us for rights of way through the millionaire estates of Westchester County?"

But it is his daily business in which he is most interested. He is alive to every phase of it. The only clock in his house that keeps time is the electric clock. The new daylight lamp on his desk is saving his eyes. New York's housewives bought 14 per cent more electricity than they did the year before. More tempting uses are to be offered them. In the end he will attain his ideal of maximum efficiency and minimum rates. The cheaper the price the more current he will sell. The easier living conditions are made in New York City the more housewives will come—

It's a grand job. Matt Sloan likes it.

Canadian Business Takes Stock

By KENNETH J. McARDLE

Managing Editor, "The Commerce of the Nation"

LEADERS OF CANADA'S business, gathering from all her far-flung provinces, met at Regina, Saskatchewan, in early September for the sixth annual session of the Canadian Chamber of Commerce, their announced purpose to take a collective look into the commercial, agricultural and governmental future of His Majesty's Dominion.

They looked and, despite the economic clouds that darkened the world scene, their gaze was keen enough to discern the first rays of a more prosperous day for Canada.

A new day in commerce

IN THE words of Col. W. L. McGregor, of Walkerville, the newly elected president of the Canadian Chamber, "We are at the beginning of a new day. With the growth of buying confidence and a sturdy and courageous promotion of our foreign and domestic markets I see no reason to doubt that from now on there will be a steady advance in our commercial position."

Active steps were taken for such a promotion of foreign trade—a matter of Dominion-wide interest—with the adoption of a resolution under which a foreign trade bureau was set up within the Chamber to serve as a clearing house of special trade information and to render general assistance to Canadian and other business men engaged in such trade.

Extending farm markets

ANOTHER step looking toward the extension of markets, this one the markets for agricultural products was the decision of the Chamber to seek the cooperation of agriculturists, the federal departments of agriculture and of trade and commerce, the provincial departments of agriculture and business men generally in the establishment of a Canadian Institute of Agriculture. This body's functions would include a continuous study of agricultural policy and of marketing possibilities at home and abroad.

The decision of the Dominion Government to proceed with the construc-

tion of the trans-Canada Highway in cooperation with interested provinces was endorsed and the hope was expressed that the project would be vigorously prosecuted both as a means of affording employment and of obtaining the benefits of a link between eastern and western Canada at the earliest possible date.

Such a highway was visioned as a stimulant of tourist trade, a trade that the Chamber decided to advance by every possible means.

Appreciation of the forward steps already taken by the Dominion Government to establish satisfactory trade arrangements with New Zealand was voiced and early consummation of a satisfactory treaty looking toward these ends was urged.

Government encroachments in the field of private business also occupied a share of the convention's time, for this question is just as acute to Canadian business men as it is to business men of Canada's southern neighbor.

Expensive to run railways

TOUCHING on this subject in a speech before the convention, George C. McDonald, chairman of the Canadian Chamber's executive committee, said, "Government participation in business is not always conducive to public good," and pointed his remarks by reference to the government-operated Canadian National Railways. Such operation, Mr. McDonald declared, has practically doubled Canada's national debt, now approximately \$400 per capita.

"If the Canadian National Railways was anything but a government enterprise," Mr. McDonald said, after reciting the lavish expenditures that have been made in the railway's operation, "it would long ago have been subjected to the process of liquidation."

This railway and the privately owned and operated Canadian Pacific Railway, he pointed out, are uselessly duplicating service and equipment, and the privately owned road is suffering from the competition of the freely financed Canadian National.

Considering this question, the Cham-

ber recommended government action to eliminate all unnecessary duplication and unreasonable competition. Appointment of an independent commission was also recommended, if necessary, to make definite recommendations as to such elimination and also as to the investment in the Canadian railways in relation to the service required, and policy regarding extensions of lines or service.

Plan to stabilize business

ONE of the important conferences held during the convention concerned employment. Out of the discussion grew a resolution to foster a joint conference of capital and labor to discuss employment from every practical angle with the aim of coping in advance with the next returning cycle of unemployment.

The similarity of problems facing business men of both Canada and the United States was stressed by one of the guests of the convention, William V. Hodges, a director of the Chamber of Commerce of the United States.

"What's ahead for Canada is in a large measure likewise ahead for the United States," Mr. Hodges declared, "and I am convinced there is nothing in the future but mutual success if our countries can but maintain an intelligent leadership."

Delegates visit Churchill

A PRE-CONVENTION feature participated in by a number of Canadian delegates and visitors from the United States was a tour to Churchill, Manitoba, northern terminus of the new Hudson's Bay Railway, a line which will provide the Canadian West with a direct rail outlet to the sea.

Here the party, the first delegation to visit the site, saw the completed first unit of a six-million-bushel elevator and the completed harbor facilities, representing expenditures of 55 million dollars. This new northern port, it is anticipated, will handle not only grain but also minerals, as the new railway is expected to play a prominent part in the development of mineral resources in the area it traverses.

GET INTO HIGHER ACCOUNTING and HIGHER PAY



Of course you want the bigger pay that goes with a bigger job—but if you're like most men you're wondering right now how you can get it. *Hundreds of thousands of men have found the answer!* Take the experience of any one of them—Vance Anderson, for instance.

For many years Anderson groped blindly for success. He tried farming—running a truck-line—then the study of mechanical engineering, then accounting at a resident school. Disappointed with that, he enrolled for LaSalle's course in Higher Accounting. From that time on his future assumed a definite form.

VICE-PRESIDENT—by the time he had completed LaSalle Training

While still studying, he became Office Manager of the Central Indiana Canneries, then joined the Olin Chevrolet Company of Indianapolis, one of the large automobile agencies of the Middle West. And before he completed the course he was made Vice-President! During that time his salary increased several times over! Is it any wonder he says, "Real study with you will pay any man."

Knowledge of Higher Accounting leads the way to so many business opportunities that the well-trained man is practically proof against unemployment. A dozen doors are open to him while the untrained man is walking the street. Advancement is swift and certain—for the very foundation of business lies in accounting control. That is why LaSalle graduates in Higher Accounting occupy some of the highest executive positions.

LaSalle has made it easy for you to master this big-pay work in spare-time study at home—no matter what your previous education or experience. This is backed by a placement, consultation and advancement service that follows throughout life.

Send for "Ten Years' Promotion in One"—the little book that has led to adding hundreds of millions of dollars to the annual salaries of 700,000 men. With it we will include full information about the big-opportunity field of Higher Accounting. Sending the coupon below may be the turning point in your life. Don't delay, but send it today—NOW!

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LaSalle Extension University

The World's Largest Business Training Institution

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I would welcome copy of "Accountancy, the Profession that Pays," also a copy of "Ten Years' Promotion in One," all without obligation.

Higher Accountancy

Training for positions as Auditor, Comptroller, Certified Public Accountant, Cost Accountant, etc.

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If more interested in one of the fields indicated below, check and mail now.

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| <input type="checkbox"/> Law: Degree of LL.B. | <input type="checkbox"/> Expert Bookkeeping |
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| <input type="checkbox"/> Credit and Collection | <input type="checkbox"/> Correspondence |

Name.....

Present Position.....

Address.....



Our Cities War on Unemployment

(Continued from page 20)

Clubs" have been organized. "Members" agree to give one per cent of their salary or wage to the fund for community relief. Generous response to this sort of appeal is reported; and the willingness shown by employed workers to divide with their less fortunate fellows is generally commented upon.

Direct relief is given in many ways. Last year the applicant was usually given an order for groceries or coal or whatever was most urgently needed. Clothing was provided from stores accumulated through gifts by individuals and assembled by some agency in charge. The cost of filling such orders was borne out of the general relief fund or out of the special fund of the particular organization handling the case.

Last year, for instance, Detroit fed 7,000 single homeless men a day, and housed about 4,500. The Department of Public Welfare maintained a registration bureau where from 2,000 to 3,000 men a day could be interviewed. Contrasted with such large-scale handling, in Corning, N. Y., transients were sent to the Social Service Society for interviews. Those applying for meals were given small amounts of work at the Salvation Army, then given tickets for a meal at a local restaurant.

Transients are a problem

ONE of the most troublesome problems in many places was and is that of caring for transients and homeless unemployed. As nonresidents, such people have no legal claim upon the community. They are nevertheless unemployed and frequently destitute. They need aid as badly as others, and the obligation to help them cannot be escaped. Two courses offer—to care for them or to seek to pass them on to another city. Passing on has little to recommend it save a superficial economy, and many cities have adopted the policy of caring for the homeless where they are.

The great need in administering direct relief has been for trained case workers. It has been impossible, often, to make adequate investigation, and many cases have escaped attention, no doubt, that should have been treated promptly.

On the other hand, one hears the usual stories of women who hid one

basket of groceries in order to get a second; of malingering and "shovel-leaning" on the part of workers; of men who asked for a hand-out but refused to chop wood for it, and so on. But one hears, too, of grocers who short-weighted on filling relief orders, and of greedy employers who imposed upon employees. One dismisses all that as a part of human nature, which is weak and vile and noble and strong, all in a great jumble.

Out of it all, one thing is emphasized over and over, that the vast majority have preferred jobs to any other form of relief and that they worked willingly and cheerfully, making the best of matters. Last year there was surprisingly little disorder, and those closest to the people out of work say there is small likelihood of disorder this winter if anything like adequate relief is provided.

Be prepared ahead

ADEQUACY! That is a word that is being stressed by those who have studied the situation. Determine what the needs of your community are likely to be, they urge, and then provide plenty of money to meet those needs. Don't, if it can by any means be avoided, go into the winter short-funded.

Another keyword is unification. Centralized organizations of community-wide scope are urged. This is being especially emphasized by the President's Organization on Unemployment Relief.

In conclusion, it should be remembered that we are not dealing primarily with people who customarily have to be helped. On the contrary, the majority are men and women who have previously been good soldiers in the industrial ranks. Now they have become economic casualties, not seeking charity, desperately eager and willing to work. Let us then begin with faith and understanding; let us have a swift cutting of red tape by discerning directors—a recognition that the job, after all, is to relieve a condition rather than to maintain an administrative technique!

The problem goes beyond lack of work and money and food. Those are its visible and present aspects. Deeper, there are tragic human and spiritual implications that must not be lost sight of if these people whom we now aid are to face the future unwarped and not utterly defeated.

**ONLY A CARBON INK
WILL PRESERVE AND
PROTECT YOUR WRITING**

Handwriting important enough to record is important enough to preserve and protect. Only a carbon ink such as Higgins' Eternal will guard it against fading, moisture, chemical erasers, heat, light and age. Costs no more.

HIGGINS' black Ink
Eternal writing Ink

JET BLACK - NEVER FADES - PROOF AGAINST CHEMICALS
For Steel Pens & Fountain Pens

CHAR. M. HIGGINS & CO., Inc., 871 Ninth St., Brooklyn, N. Y., Manufacturers of Higgins' American Drawing Ink, Writing Ink and Adhesives.

"I'll see it through
if you will!"



THEY tell me there's five or six million of us—out of jobs.

"I know that's not your fault, any more than it is mine.

"But that doesn't change the fact that some of us right now are in a pretty tough spot—with families to worry about—and a workless winter ahead.

"Understand, we're not begging. We'd rather have a job than anything else you can give us.

"We're not scared, either. If you think the good old U. S. A. is in a bad way more than temporarily, just try to figure out some other place you'd rather be.

"But, until times do loosen up, we've got to have a little help.

"So I'm asking you to give us a lift, just as I would give one to you if I stood in your shoes and you in mine.

"Now don't send me any money—that isn't the idea. Don't even send any to the Committee which signs this appeal.

"The best way to help us is to give as generously as you can to your local welfare and charity organizations, your community chest or your emergency relief committee if you have one.

"That's my story, the rest is up to you.

"I'll see it through—if you will!"

—Unemployed, 1931

THE PRESIDENT'S ORGANIZATION ON UNEMPLOYMENT RELIEF

Walter S. Gifford
Director

COMMITTEE ON MOBILIZATION OF RELIEF RESOURCES

Owen D. Young
Chairman

The President's Organization on Unemployment Relief is non-political and non-sectarian. Its purpose is to aid local welfare and relief agencies everywhere to provide for local needs. All facilities for the nationwide program, including this advertisement, have been furnished to the Committee without cost.

TO THE
CONVENTION
SAIL
ON THE MAGNIFICENT
MALOLO
April 29 from LOS ANGELES



**NATIONAL
FOREIGN TRADE COUNCIL**
May 4th to 6th
HONOLULU

• HAWAII, in the fragrant flush of her spring charm... your gathering place next year for the National Foreign Trade Council, May 4-6. And the U.S. Chamber of Commerce Convention takes place in San Francisco, starting May 16th. An added reason for this important trip.

• Note! The gavel of gaiety will start the Convention on the "Malolo," sailing from Los Angeles April 29!

• Dining and dancing... sports... Pompeiian pool for cool plunges... spacious staterooms for sea-air sleep! Glorious days... diverting... restful... preparing you to take full advantage of the contacts and opportunities that await in Honolulu!

• Fly or speed on a train to Los Angeles... groove the Pacific in five days on one of America's most luxurious ships! You return by way of San Francisco... combining California and Hawaii in a splendid two-week ocean and island adventure—only three weeks away from your office in New York—less from in between cities.

• Cost... as low as \$198 round trip, first class on the MALOLO special Convention Cruise.



AN
ITINERARY

Lv N. Y. Apr 26
Lv Chgo. Apr 27
Lv L. A. Apr 29
Ar Hon. May 4

Lv Hon. May 8
Ar S. F. May 13
Ar Chgo. May 15
Ar N. Y. May 16

More leisure on other convenient sailings. Details from any travel agency or our nearest office.

MATSON LINE • LASSCO LINE
NEW YORK CITY • CHICAGO • SAN FRANCISCO
LOS ANGELES • SEATTLE • PORTLAND

A Plan That Made a State a Team

(Continued from page 35)

rank second only to California in supplying national markets.

Neither would we infer that all has been roses in more strictly business activity. The Industrial Congress has had its share of failures. Some of the new industrial plants we helped to start fell by the wayside. More than once we have seen promising developments ruined by lack of foresight or by misguided policies. More than once we have seen favorable opportunities lost through the inertia or shortsighted antagonism of those most concerned.

An even half of the cooperative marketing farm organizations we joined in backing failed to survive. Disappointing, yes, but then we reasoned from the beginning that we could not sell any man's goods, solve any group's problems unaided, change any fact of economic law or human nature. We could only try to find everybody a better chance to work out his own salvation. When you analyze it, that is all any organization can do.

Indeed, in such a type of endeavor it is often difficult to tell when results have been obtained. To cite a minor instance, some time ago a producer of cedar posts in a distant part of the state came to us for sales advice. We checked his product and put him in touch with his best prospects for distribution; he went about his business, and we about ours. It was several weeks before we learned that he had sold nine carloads on initial orders on the strength of the contacts we had given him.

Better business in Arizona

WE ONLY know that a good many million dollars' worth of business that used to go outside the state is now going to our own producers and business firms; that productive enterprises which we assisted in establishing or rehabilitating have added a good many hundreds of thousands of dollars a year to our pay rolls; that we are entertaining more visitors, and are prepared to entertain visitors better, than ever before; that the progress we have made since 1921 has not been lost, and only a part of it retarded, in the corresponding period of 1930 and 1931.

Not that Arizona has not suffered more than enough from the latest world depression. Copper, cotton, cattle, lumber, wool are still our main commod-

ities, and their producers are hard hit. But, whereas in 1921 we had little else to sell and none of that could be sold, today we have a far greater diversity of small crops, small manufacturing, small business, tourist travel, and they are helping to tide us over. Whereas all activity ceased at once ten years ago, we were less unprepared in 1929 and 1930. The state government launched a much enlarged program of needed highway construction; municipalities undertook needed improvement; larger investors who had been planning buildings and development went right ahead.

Adjustments to meet conditions

ORGANIZATIONS, after all, are not economic magicians. Spilsbury and the directors of the Industrial Congress were the first to warn that we could not stem the tide of conditions over which we had no control; but they could and did point out that we could keep on doing what we could. Copper mines, instead of closing down, curtailed production, shifted crews to new development, adopted a shorter week, but kept on all the men they could. Cotton growers, instead of seeking seasonal picking-labor in other states, as they once did, tried to provide jobs for unemployed nearer home. Last fall we transferred 3,500 men from mining camps to cotton fields. We could not prevent unemployment and business losses, but everyone was determined to make at least an effort to hold them down.

What has all this to do with "National Plans" we now hear advocated? We don't know. We have tried to do nothing unusual; only to correlate all our separate efforts a little more. The idea was not new; only a slightly different application of ideas in use everywhere. Other states have borrowed from it here and there, or sought it for themselves.

As for finding a way of better coordinating national industrial and business effort, who can tell until they try? If it is only common sense to assume that every farm, every family, should be as self-sustaining as is economically practical in view of surrounding conditions, why not communities, and states, and nations? So far, please note, as is economically practical, but within that scope there should be plenty of opportunity for all the planning we can use, through organizations we already have, if they once found a meeting-ground.

Are Your Products Dressed Right?

(Continued from page 40)

chandise display. More detailed in the discussion of store fronts and store windows contributed by Frederick Kiesler in his work on "Contemporary Art Applied to the Store and its Display." For it is after the potential customer has been halted that the display window must earn its space. It "has a duty to perform. To talk. To demonstrate. To explain. In short, to sell."

The accent and emphasis in displays which halt the passerby and draw him to a nearer observation are only the beginnings of the job of selling. These functions are elemental in the window's progress from service as "dead storage to an active loud speaker that cries its wares no less effectively if by dumb show." As Mr. Kiesler views it, "the evolution of the show window is due to one fact: speed." For this reason, he says, "the window is a modern method of communication" and "the special manner in which the display manager communicates his message reveals the measure of his art."

Most direct selling

BY WAY of enlarging this thought, Mr. Kiesler writes, "the communication itself—the show window—is the most direct method of all methods by which the store owner can bring into contact passerby and merchandise. Selling through glass is becoming more and more important."

Whether the impressive gate receipts of the big plush and gold movie houses are due to the decorations or to the dialog is still a moot question. A picturesque explanation for the rise of the movies is offered by Sliding Billy Watson, old-time burlesque comedian. Novelty is the chief attraction, he thinks:

"Why, a guy goes into one of 'em for 50 cents, and it's like he was asked around to visit his rich relations. It's better than his own home. After he's seen the show, he goes down to the lounge and sits around awhile and maybe lolls back in one of those big sofas and picks his teeth. Then he takes a wash, maybe, and then he goes back and gets another load."

There's a profitable text for American merchants—give the customer something worth while to look at, show him how or what it satisfies, and then get him back for "another load."



Plan a *Business* trip to HAWAII

Come to Hawaii this winter if you can. If not, remember that next year holds excellent reasons for a business trip to Hawaii. Great conventions on the Pacific Coast will bring you close. The all-important Foreign Trade Council will meet in Honolulu. Here are a few of the dates:

.....
National Foreign Trade Council, *Hawaii*, May 4 to 6, 1932
Pacific Foreign Trade Council, *Hawaii*, May 4 to 6, 1932
U. S. Chamber of Commerce, *San Francisco*, May 15 to 21, 1932
Rotary International, *Seattle*, . . . June 20 to 24, 1932
.....

Not only is Hawaii important because of its place in world commerce; nor because it forms an ideal meeting place for those whose interest touches the Pacific. Hawaii is important to *you* because it is one place where you can forget business. The sun, the breeze and sea combine to change the tempo of living into a soothing, simple, pagan melody. You rest . . . the world forgotten . . . completely.

WRITE FOR SPECIAL CONVENTION RATES

HAWAII TOURIST BUREAU

(OF HONOLULU, HAWAII, U. S. A.)

225-F BUSH STREET, SAN FRANCISCO or 1151-F SO. BROADWAY, LOS ANGELES

MATSON Line from SAN FRANCISCO

LASSCO Line from LOS ANGELES

215 Market Street, San Francisco
730 So. Broadway, Los Angeles

814 Second Avenue, Seattle
271 Pine Street, Portland, Ore.

535 Fifth Avenue, New York
140 So. Dearborn Street, Chicago

KIPPY-KIT GIFT ITEMS

GIVE Kippy-Kit items this Christmas to customers, dealers, sales and office force. A score of "Packets of Tidiness" to choose from—modern, ingenious, useful. Sensationally low quantity prices. Send for catalog and prices on full line.



eM-Dee AID

"You Be The Doctor"

KIPPY-Kit's improved, enlarged, first-aid kit, with dust-proof glassine protector, standard-size packages. Includes handy tape bandages, individually wrapped in sanitary envelopes; Skin Patch, mercurochrome, absorbent cotton, adhesive tape, unguentine, eye water, gauze, scissors, tweezers, aromatic spirits of ammonia, 2 droppers.

	FABRIKOID	LEATHER
25 to 100.....	\$1.50 each	\$2.00 each
100 to 500.....	\$1.45 each	\$1.90 each
500 to 1000.....	\$1.40 each	\$1.85 each
Regular size, 67 to 73 cents each.		
"Compliments of" and firm name im-		
printed free. Individual gift boxes.		



KIPPY-KIT

The brush that keeps the nation spiffy. Pride of the gift shops. Fibres won't pull out, being anchored in a metal vise, solidly riveted and pyralin-covered. In fine fabrikoid case; genuine lamb's wool polisher attached.

25 to 100.....	67c each
100 to 500.....	65c each
500 to 1000.....	63c each
"Compliments of" and firm name im-	
printed free. Individual gift boxes.	

All Prices F. O. B. Circleville, Ohio

WRITE for CATALOG
also showing

THE KIPPY-KIT Co.
CIRCLEVILLE, OHIO

TRAY-VALET
HARTH-WITCH
JAX-TY-RAK
PAR PACK-IT
CHOCKY
TAT

Through the Editor's Specs

(Continued from page 9)

essed us to pay the cost of insurance administration, is diverted to general tax funds, and is used to pay for this, that, and the other legislative hobby.

IN A small Virginia city the locally owned department store is up against what would appear to be a difficult situation. Across the street from it are three flourishing chains—one in dry goods, one in variety goods, and one a five and ten—offering stiff price competition. Yet the department store has been in business many years, and seems to be flourishing.

We wondered how it could be true. We asked the owner. Smiling, he admitted his secret.

"When any one of them comes out with a very good price, I undersell them immediately. They can't afford to run leaders on many things, so all I have to do is keep up with them. I lose a little money on some items, but I have the name of selling for less than the chains now, and that goes for everything. I know you wonder how I can afford to undersell them at all.

"It isn't in the buying, for they can beat me there. But I own the whole block they are located in. I have very good leases with all of them. What I lose on an occasional item, I make up in the long run on their rent. Thus they more than pay my losses."

SOME TIME ago the head of Drake University at Des Moines, Iowa, asked one thousand large industries to contribute one share of stock each toward an endowment for that school. Many complied. Among the companies solicited was the Southern California Edison Company, of Los Angeles. The correspondence between President D. W. Morehouse of the University and Clifton Peters, secretary of the power company, has been made public. Part of Mr. Peters' reply seems worth the consideration of business men generally. Mr. Peters wrote:

"The idea is a commendable one. Drake University has an enviable record of service in the educational world, is deserving of support, and we should be delighted to have your University join the large family of 123,000 stockholders of the Southern California Edison Company, Ltd.

"However, in addressing your request to Mr. Miller, I fear you have overlooked one vital point which would make it unwise for him as the head of an electric-utility company to give, or for you as the head of an educational institution to accept, a share of stock in our Company as a gift from its chairman. The acceptance of this gift probably would expose you and your institution to a tirade of abuse by a number of high public officials in the United States, who were elected to office by a majority vote of a section of the electorate and who by virtue thereof claim to be leaders of thought in the country as a whole.

"According to the public expressions of this group of our public servants, Mr. Morehouse, you would be subject to less criticism if you should solicit a donation from Al Capone of Chicago, seek revenue by running a gambling house in the basement of your University Hall, purchase a race track, or run an illicit brewery, than if you should accept a single share of stock or a penny of donation from an electric utility.

"Apparently, legitimate industry must contend not only with the problems of production, consumption and unemployment, but also with the much more serious problem of incompetency, stupidity and consummate demagoguery in certain public officials.

"Of course, if your University in its departments of political economy and political science advocates public ownership of the utilities, and if you believe that the way to solve the national and international problems of the United States lies in the public ownership of its utilities, then your stock ownership in an electric utility might be overlooked."

TO THE EDITOR:

I have read Colonel Starr's article on "The Worker's Lot in Soviet Russia" several times with a great deal of interest.

It may take another hundred years but Russia is certainly gradually evolving into some sort of a government that will more nearly accord with world standards of civilization.

The present Soviet régime is unquestionably temporizing with so-called capitalism. They claim to be only temporarily using civilization methods but they have started things which they cannot check.

Their present industrial development must either completely and utterly fail or they must develop both a managerial class and a class of better trained workmen.

To do that they must give management authority and men incentive and encour-

agement, for human nature is basically the same in all nations. Such a policy will, if it succeeds at all, lead to the ultimate overthrow of communism.

I see no menace of Russian competition in manufactured goods. Under the present régime we will have to reckon with their competition in agriculture and minerals.

As the Russian people emerge from the dark ages in which they have so long lived into a more enlightened era, their growing consuming power will require all they can produce for at least several generations. The same applies to India and China.

Any standard of living that could be established in these great undeveloped nations that we could consider even "a minimum standard of living" would require more goods than the world could produce in several centuries.

Col. Starr's article has made a very valuable contribution to our understanding of the Russian situation.

GEORGE M. VERITY
The American Rolling Mill Co.
Middletown, Ohio

TO THE EDITOR:

You might be interested in a plan that I put into force here a few months ago in co-operating with the local Poor Board.

We have been furnishing them with wood and coal. They were paying us quite a sum each month. Those receiving these supplies did nothing to pay for them or for the groceries that were constantly being doled out. We told the executive head of the board that it seemed as though some of these men should cut this wood and thus save money for the board and partly pay for the fuel and groceries that they were being supplied with.

The board sends a man to work a week, we feed him his noon meal, and also give him some things to take home in the line of fresh fruits and vegetables that he cannot get from the Board. We credit the Board the same rate as we were previously paying in cash so that the Board now does not pay us a penny for supplies that we furnish and has not since the month of May.

This is not only a matter of economics and saving money to the taxpayer. The Board tells us that one of the finest things that ever happened to aid them is separating the wheat from the chaff and so conserve their funds for aiding the really deserving ones.

MARSHALL R. MERRICK
Merrick Grain & Milling Co.
Erie, Penna.

A CORRESPONDENT sends us his idea of what the platform of his Progressive-Farmer-Labor Party should be. Plank Number One calls for governmental reduction of private fortunes. Number Two calls for limitation of size of private fortunes. And so on. Commenting on fortunes, he asks, "Why should any one person in the United States need more than two million dollars as a private fortune?"

It seems to us that two million apiece would be about right.

M.T.



PARTITIONS CAN, AND SHOULD BE, AS MOVABLE AS FURNITURE



WHEN changes must be made in office layout—as they inevitably must—the bulk of the cost usually lies in the destruction and re-erection of partitions.

This cost is no longer necessary. Your partitions can and should be as movable as your furniture.

Hauserman Steel Partitions offer you this advantage. Their beauty of design and finish, and their movability and long life recommend them as an extremely sound and permanent investment.

A copy of "Office Planning Studies," a carefully prepared and illustrated 40-page book, illustrating the economical use of floor-space will be gladly mailed on request.



This careful study of office layout and planning may be of great value to you. Copy mailed free on request.

THE E. F. HAUSERMAN CO.

Organized for Service Nationally
6859 GRANT AVENUE . . . CLEVELAND, OHIO

Factory Directed Planning and Erection
Service from these 14 Factory Branches

Newark	Kansas City	Cincinnati
Philadelphia	Chicago	St. Louis
Buffalo	Pittsburgh	Cleveland
Boston	Detroit	New York
Washington, D. C.	Albany, N. Y.	

HAUSERMAN MOVABLE STEEL PARTITIONS

When writing to THE E. F. HAUSERMAN CO. please mention Nation's Business

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THIS is one of a series of editorials written by leading advertising men on the general subject of advertising

Surpluses? For a Change Let's Consider the Deficiencies

IT WILL cost a billion and a quarter to wire the more than eight million homes in the United States which are now without electricity. Just the wiring *inside* these homes—not the additional central or domestic power plants, distributing lines, and electrical fixtures and appliances that will be required.

Nearly nine million homes have no bathrooms. It will cost close to two billion dollars to supply them in the simplest form—not counting the additional water mains, sewers or septic tanks.

It will cost more than seven billion dollars to put central heating into the nearly fifteen million homes which have no furnaces.

Sixteen million homes are still without telephones.

More than five million farms are operated without a tractor, without a truck, and without electricity.

We hear much talk these days of surpluses. Glutted markets. "Point of saturation."

Surpluses? Let us concern ourselves with the problem of *deficiencies*.

What we think of as the commonest things of life are not yet half made or sold. *When we get the wheels turning, our work is cut out for years to come.*

STANLEY RESOR
President

J. Walter Thompson Company

SAVED

\$8,400 a year

on sales-analysis figure-work

COMPANIES of every size and every kind of business are cutting costs and speeding figure-work with Comptometers. The average *minimum* saving is \$1,000 a year per Comptometer.

A Middle Western drug manufacturing company recently installed five Comptometers for sales-analysis work. This company estimates its direct savings at \$8,400 a year!

Two other systems had previously been used and discarded. In tests conducted by the company, the Comptometers produced all necessary information in *one-half* the time required by one of these systems.

The company sells more than 1,000 different items, through 118 salesmen and 180 distributors. It has 500 invoices a day, with approximately seven items to an invoice.

The Comptometers handle the complete job of sales analysis, recapping,

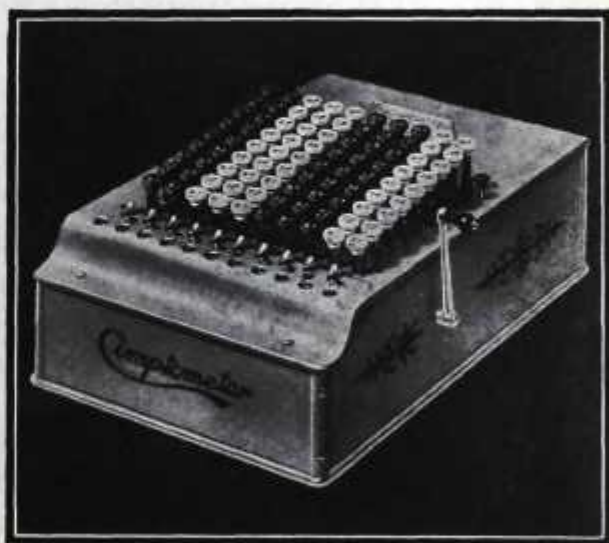
and preparing reports for stenographic departments.

Comptometer representatives are skilled in all phases of accounting. They will gladly analyze your routine, and help you put your office on a unit-system *production* basis, with all figure-work concentrated in one place—where it can be done most economically.

They will also, if you wish, suggest new and simplified office methods and forms for still further cutting overhead. Telephone the office in your city, or write us direct. A representative will call at your convenience. You incur no obligation, of course.

Felt & Tarrant Mfg. Co., 1712 North Paulina Street, Chicago, Illinois.

The Comptometer — with the Controlled Key safeguard — is made only by Felt & Tarrant

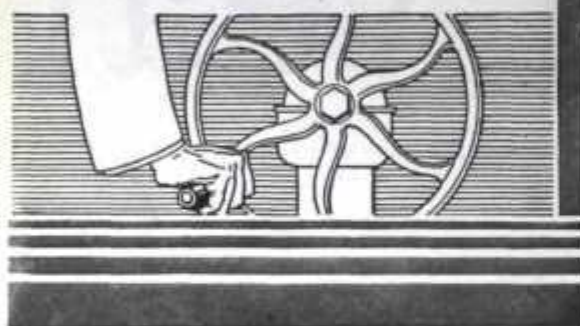


COMPTOMETER

(TRADE MARK)

A U T O M A T I C
A C C U R A C Y

THE AIRBRAKE gave control to railroads



Ethyl gave control to gasoline

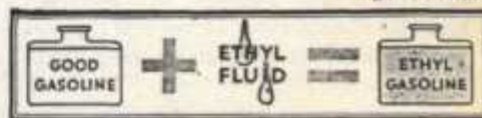
WHEN a train came to a stop in the sixties, passengers grabbed their hats and their false teeth as brakemen scurried from car to car setting each brake. Then George Westinghouse put compressed air to work and made possible the safety and comfort of the modern passenger train.

+ + +

Automobile engineers have long wanted higher compression engines because they are more efficient. But higher compression meant greater pressure on the motor fuel, and ordinary gasoline could not stand the strain. Under high pressure it wasted its power in uneven explosions. That is why a search was started for an ingredient to *control* the combustion of gasoline—and why leading oil refiners now add Ethyl fluid to their good gasoline.

Ethyl fluid gives gasoline the ability to resist pressure. It opens the door to higher compression engines and to the greater acceleration, cooler combustion, and increased power that they give.

Higher compression engines give you a chance to speed up deliveries, to save money on fuel and maintenance. They are the solution to the problem of fast service at full loads. Ethyl Gasoline is the only fuel that answers their need satisfactorily, and gives the economy of *maximum* performance. Ethyl brings out the best in *any* engine. Ethyl Gasoline Corporation, Chrysler Building, New York City.



The active ingredient used in Ethyl fluid is lead

ETHYL GASOLINE

*How a refrigerator manufacturer
holds regular country-wide sales conferences*
BY TELEPHONE



THE Kelvinator Corporation is successfully cutting sales costs by maintaining personal contacts regularly with its sales representatives in all parts of the country . . . *by telephone*. Its profits in the last fiscal year increased 31 per cent.

The president says: "The increase in profits is the result of lower selling costs and increased economy. These factors of economy and efficiency are combined in your service and account for our liberal use of the telephone."

The telephone sales conferences are held Friday afternoons, each district manager calling in at a certain time. Telephones in the Detroit headquarters are so arranged that the chief sales executives are on the line at the same time. General discussions are thus held as easily as though all the men were face to face. Problems are considered from every angle. Decisions are given promptly. In minutes, the executives have a complete picture of how their entire organization is functioning.

The field representative may be thousands of miles away, but conferences with executives are held as readily as though he were in the home office.

Using Long Distance is an investment that pays big dividends in time saved and results achieved. Typical station-to-station day rates: Indianapolis to Louisville, 65c; New York to Cleveland, \$1.80; Portland, Ore. to San Francisco, \$3.45; Philadelphia to New Orleans, \$4.

The Bell System has developed a Telephone Plan of Market Coverage to help its customers increase their business and cut costs. An experienced telephone representative will gladly custom-fit its features to the specific needs of your company.

JUST CALL YOUR BELL



TELEPHONE BUSINESS OFFICE

Square this

with what you *hear*

... what you *read*

... what you *believe*

NOWADAYS you read and hear every kind of thing about cigarettes. But when you try to square some of it with your own common-sense and experience, a lot of it just doesn't "square"!

What smokers want to know about a cigarette is, "How good is it?"

And when it comes to that, cigarettes are just as good and just as pure as the materials from which they're made.

In making Chesterfield, we use only riper, milder, sweeter-tasting tobaccos—the best that money can buy—and pure cigarette paper—the purest that can be made. Our chemists rigidly test for cleanliness and purity all materials used in the manufacture of Chesterfield. In our factories even the air is washed, and changed every 4½ minutes.

Everything that goes into Chesterfield is the best that money can buy or that science knows about.

"Good . . . they've got to be good," we say about CHESTERFIELD—and we mean it! And that's something you can square with everything you've ever read, or heard—or know—about this good cigarette!

